STATE REPORT II
Unemployment Insurance Study

ESO No. 115
Preliminary
For Review Only

HIRED FARM WORKERS, AGRICULTURAL EMPLOYERS AND OHIO AGRICULTURE -- IMPLICATIONS FOR UNEMPLOYMENT INSURANCE

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December, 1972

FOREWORD

This report is part of a regional research project entitled "The Impact of Extending Unemployment Insurance to Agricultural Workers in the Northeast States." It is the second Ohio report as part of the regional research effort. The first report was designed primarily to provide background information on unemployment insurance, study methodology, the nature of Ohio agriculture, and the study results of immediate utility in developing and evaluating various unemployment insurance legislative proposals for extending unemployment insurance coverage to agricultural employment. This report is concerned with the broader implications of unemployment insurance for agriculture and an analysis of likely influences of unemployment insurance on agriculture and farm workers.

The study is being conducted in cooperation with the United States Department of Labor and the Connecticut State Labor Department. The United States Department of Labor and the Experiment Stations of 12 participating states have financed the research. The participating states are New Hampshire, Vermont, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, Florida, Texas and Ohio. Maine, Rhode Island, and West Virginia are also covered in the study but the research work for these states is being done by Connecticut and Delaware.

Standardized procedures for all phases of the study were developed by a regional research committee organized through the Northeast Regional Research Project NE-58, "An Economic Analysis of Agricultural Labor in the Northeast States." The standardization of procedures allows both state and regional analysis and comparisons. The study design is based on specific conditions in each of the participating states even though this led to greater complexity in procedures, data gathering instruments, and

analysis. However, the homogeniety of study design seemed highly desirable given the unique opportunity for detailed analysis of unemployment insurance and agricultural labor problems on a regional basis.

The state directors for the NE-58 Project were:

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CHAPTER I

Introduction

The federal-state unemployment insurance system established in 1935 has grown to be a widely accepted social insurance program in the United States. The program started in 1935 with a relatively small share of employment in the United States being covered. However, since its inception, Congress and each of the state legislatures in the country have extended coverage to a steadily increasing percentage of the country's employment. Bringing new employers and workers into the program has typically been accompanied by careful consideration of likely impacts on the financial status of the unemployment insurance system, likely impact on employers and workers, administrative problems likely to be associated with more extensive coverage, and longer run implications of expanded coverage.

From time to time, coverage of agricultural employment has been considered by Congress and several state legislatures for unemployment insurance coverage. There has been much discussion of both pro and con arguments concerning such coverage. The net result has been continued exclusion of agricultural employment. However, in 1970, Congress committed itself to careful consideration of such coverage. This report is one part of that comprehensive consideration.

As explained in the foreword, this report is the second of a two-report series concerned with unemployment insurance coverage of agricultural employment in Ohio. This report should not be considered an isolated part of the overall analysis, but considered in relationship to several other forthcoming reports from other states as well as two regional reports.

The first Ohio report was primarily concerned with coverage, benefits, and costs.[1/] The first report emphasized the more traditional kinds of questions relative to inclusion of new employers and workers within the unemployment insurance system. The report was concerned with various alternatives for specifying the employers to be included in the unemployment insurance system. The major employer characteristics considered were number of workers, length of employment, and quarterly payroll. Various combinations of these factors were considered as possibilities that might be proposed for agricultural coverage. For a subset of selected employer characteristics, estimates were made relative to number of employers and workers that would be included. Estimates were made of employer gross payroll, taxable payroll, and first-year contributions under various alternatives. Worker estimates included potential and actual beneficiary and estimates of benefits that would be received under various alternatives. Cost estimates were made through estimates of cost benefit ratios to determine the likely impact of the coverage of agricultural employment on the unemployment insurance system and the cost of coverage to agricultural employers. In short, the first report was concerned primarily with financial and coverage issues involved in bringing a new group of employers and workers into the unemployment insurance system.

In contrast, this report is concerned with a series of questions that are likely to be raised separate from the financial and coverage questions of concern in the first report. To be sure, legislators and

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1/ Bernard L. Erven, "Extension of Unemployment Insurance to Agriculture in Ohio -- Coverage, Benefits, and Costs." Research Bulletin Ohio Agricultural Research and Development Center, Wooster, Ohio, November 1972

others interested in careful evaluation of unemployment insurance coverage of agricultural employment are concerned with the financial and coverage issues. But they are also very much concerned with additional and, in some cases, longer run implications of agricultural employment coverage. These questions may be generally categorized as (1) characteristics of workers likely to be influenced by unemployment insurance if it were extended to agricultural employment, (2) characteristics of employers likely to be influenced and variations among employers, (3) changes in Ohio agriculture which would likely influence the functioning of an unemployment insurance program covering agricultural employment, (4) changes in Ohio agriculture, particularly hired labor use and management, as a result of unemployment insurance covevage, and (5) an identification and analysis of the various arguments, pro and con, which have generally been used in unemployment insurance discussions relative to agricultural employment coverage.

Report Outline

To relate this second report to the first one, Chapter II contains a summary of the first report and its conclusions. The reader is referred to the previous report for details of the research methodology, data collection procedures, estimation procedures, background discussion concerning the functioning of the unemployment insurance system, general characteristics of Ohio agriculture from the 1969 Census of Agriculture data, and the unemployment insurance analysis. Chapter II will only highlight these points of discussion but will provide the reader sufficient background information for proceeding through this report.

Unemployment insurance is worker oriented in that it is concerned with income lost due to unwillful unemployment. Therefore, it is appropriate to analyze the workers which are likely to be influenced by unemployment insurance, characterizing them in terms of various demographic and employment characteristics. This is the objective of Chapter III. Although cross-sectional survey data from a study of this type are not likely to provide the uninformed reader with the same feel and intuitive understanding that comes with extended observation and first hand experiences, they nevertheless are helpful in providing at least a "statistical" sense of the many different kinds of workers with agricultural employment in Ohio.

Chapter IV is concerned with agricultural employers. Employers, in contrast to workers, may be thought of as much more homogeneous and therefore deserving of considerably less attention in a report of this nature. However, there are also appreciable variations among employers and there are employer characteristics of critical importance to resolution of questions concerned with extension of unemployment insurance to agricultural employment. Employers finance the unemployment insurance benefits through their contributions made on taxable payrolls. They control hiring practices and thus are able to influence employment opportunities of the workers of concern in Chapter III. Within limits, they can change and modify their operations to decrease use of hard labor, increase mechanization, and make other changes that modify the mix of hired farm workers. Any specific group of hired workers are substitutable by other types of hired workers, and more generally by mechanization. Furthermore, farmers are free to and do in some cases, change their operations in such a way to discontinue or markedly reduce the use of hired labor. Additionally, many farm employers in Ohio

have family members actively involved in their operations. This family labor is more flexible, less expensive, and more reliable, at least in the eyes of most agricultural employers. Therefore, pressures that change the use of hired labor also result in changes in family labor utilization. Although data are not available in this study to carefully analyze the family labor input, there are important implications from both the employer and worker data for these family workers.

Ohio agriculture has undergone major structural and technological changes in recent years. That farm workers have been much influenced by these changes is not challenged. That Ohio agriculture will continue to change, although probably with less dramatic technological changes, appears to be generally accepted. There will be changes during the next five to ten years that will have important influences and bring about notable changes for farms employing hired workers and these workers themselves. These changes may also affect the impact of unemployment insurance coverage of agricultural employment. Chapter V is concerned with some of these likely changes in Ohio's agriculture and their impact on the functioning of the unemployment insurance system relative to agricultural employment coverage. The discussion cannot be definitive because one cannot project the changes with certainty nor, given a lack of experience with unemployment insurance in agriculture, assess their likely impacts on the system. Nevertheless, such discussion should be helpful as various legislative proposals and alternatives are considered. Examples of such changes are increased mechanization, decreased number of farms, increased complexity of equipment and technology in general, and increased part-time farming. Unemployment insurance coverage of agricultural employment could also influence Ohio agriculture. Hired labor use and management

are especially likely to be influenced by unemployment insurance. Some of these likely influences are also discussed in Chapter V.

Historically, many pro and con arguments concerning unemployment insurance coverage of agricultural employment have been advanced. Chapter VI attempts to identify the major points that have been used in such discussions and discuss each in terms of the analysis presented in earlier parts of this report and previous reports of the study. Testimony concerning unemployment insurance legislation, other unemployment insurance studies, and a general understanding of how unemployment insurance programs operate are also helpful in a discussion of the pro and con arguments. The discussion will not be definitive in terms of building a case for or against unemployment insurance coverage of agricultural employment. It remains for the reader to assess both the pro and con factors identified and the discussion relative to each of the factors or arguments.

CHAPTER II

Objectives, Methods and Background

This report is part of a regional research effort concerned with the impact of unemployment insurance on agricultural employment. The general objectives of this study are:

1. To estimate the number of hired workers in agriculture in the Northeast and their demographic characteristics.

2. To determine the labor force experience of these workers including their employment and unemployment experience, duration of agriculture and non-agricultural work, and causes for periods of no work.

3. To estimate the number of agricultural employers meeting alternative criteria for unemployment insurance coverage for their workers.

4. To estimate the number of potential claimants and beneficiaries, their demographic, social and vocational characteristics, including age and sex distribution and the amount, duration and exhaustion of their benefits.

5. To estimate contributions from employers and payments to beneficiaries under alternative criteria for coverage.

6. To estimate the effect of potential combined wage claims and inter-state claims, on claimant's eligibility, duration of benefits, weekly benefit amounts, and the benefit-cost rate.

7. To evaluate the findings of this study in light of changes in land use patterns, technology, and employment of farm labor that are expected in the future.

Methods

There were two sources of data for this study: agricultural employers and agricultural workers.

An agricultural worker was defined as a person who (a) received wages for Ohio agricultural work and (b) was excluded from unemployment insurance coverage because of being classified as an agricultural worker. Agricultural work included (a) services which materially aid production

performed by any person employed on a farm by the farm owner or operator and (b) services which materially aids production performed on a farm even though the employer may not have been a farm owner or operator. Agricultural employers were defined as employers of workers satisfying the criteria for agricultural employment. Farm operators, their spouses, father, mother, and children under 21 were excluded unless the farm work was for a corporation. Agricultural employer data are for the 1969 calendar year and are primarily concerned with wages and number of workers by quarter and week. Additional employer data are concerned with farm and worker characteristics which characterize the Ohio agricultural employers. The agricultural worker data are for a 52 week period extending from July 5, 1969 to July 4, 1970. The worker data are concerned with detailed work histories for each worker, wage earnings and socio-economic data.

Employer Survey

Sample -- The sources of names of the employer population for sampling purposes were the Social Security Administration, Farm Placement Service of the Ohio Bureau of Employment Services, and migrant crew leaders associated with employers identified through the first two sources.

The Social Security Administration list of agricultural employers included all those having reported to the Social Security Administration as agricultural employers during 1968. This list of employers was divided on the basis of annual payroll. Employers for whom 1968 annual data were available were divided into ten strata by deciles. These employers had reported 1968 wages on an annual Social Security Form 943. The ten strata were sampled at a rate to permit an estimation error of 0.1 percent or less at the 95 percent level of probability. All employers in the first three of the ten strata were included in the sample to assure

representation of the larger employers in the state. An eleventh stratum was created for all employers for whom only first quarter 1968 data were available. These employers had reported on quarterly Social Security Form 941. All farms in the eleventh stratum were included in the sample.

To check on the completeness of the Social Security Administration employer listing, the Farm Placement Service fieldmen were asked to provide names and addresses of all employers known to them in their district with fifty or more workers. These fieldmen were considered a good source of data as they are knowledgeable concerning agricultural employment activities of farmers. Any names provided by these fieldmen were added to the sample if they had not appeared on the original Social Security listing. These names were treated as a separate stratum and all were included in the sample.

Crew leader additions to the sample were made through the farm employer sample. Included in the sample were all crew leaders encountered on the sample farms during the worker survey period.

Results of Employer Survey -- The employer sample included 1,315 agricultural employers. Approximately 84% of the employers responded to the questionnaire. Details of the employer response were as follows:

	Number	Percent of Total
Respondents	1,102	83.8
Complete questionnaires from employers still in business and hiring workers in 1969	(739)	(56.2)
Out of business	(137)	(10.4)
Hired no workers during 1969	(151)	(11.5)
Business not in state or not agricultural	(16)	(1.2)

	Number	Percent of Total
Incomplete questionnaire	(59)	(4.5)
Non-respondents	213	16.2
Total	1,315	100.0

Non-respondents were those employers from whom no response or information of any kind was received. The out-of-business respondents were those that had been in business during 1968 but were not in business during 1969. Some employers responding had had hired labor during 1968 but did not have hired workers during 1969. The 59 incomplete questionnaires were missing some data and, thus, were not used in making the population estimates. A few employers had no business activities in Ohio or were misclassified as agricultural.

Employer Population Estimates from the Survey Data -- Population estimates of various employer characteristics were made from the data of the employers responding to the employer questionnaire. The population estimates were made through direct expansion methods with adjustments being made for the various sampling rates of each stratum and the response rate of employers of each stratum.

Worker Survey

Sample -- The worker sample was drawn from a sub-sample of respondent and non-respondent employers of the employer phase of the study. Respondents to the employer sample were divided into two groups based on the maximum number of workers during any week in 1969. One group consisted. of employers with 8 or more workers during some week in 1969, while employers with 7 or fewer hired workers during the high employment week were included in a separate group. All employers with 8 or more workers

were included for worker sampling. Employers with 7 or fewer workers were sampled at the rate of one in six. Non-respondents to the employer questionnaire were divided into two groups based on the number of wage items reported to Social Security for 1968. The 8 or more workers and less than 8 employee groupings were also used for the non-respondents and were sampled similarly to the respondent groups.

All respondent and non-respondent employer farms with 8 or more workers were contacted for worker interviews. Workers on these farms were sampled at the rate of 1 in 6 with a minimum of 2 workers interviewed per farm. Respondent and non-respondent farms with less than 8 workers were sampled at the rate of 1 in 6 farms. All workers of these sampled employers were contacted for interviews. The actual number of workers interviewed depended on the number of workers present on the farm on the day of the interviewer visit to the farm.

Interviews were scheduled to coincide as near as possible with the peak period of employment of each employer included in the sample. The variation in number of workers during the year and the high turnover of agricultural workers resulted in a worker sample more restrictive than the population of all persons with some agricultural employment in Ohio during 1969. Agricultural workers not working in Ohio in months July through October of 1969 had no chance of being selected for the worker interviews. The population actually sampled included those persons who performed agricultural work in Ohio during their employers' peak period of employment from July 1 through October 31, assuming no movement of workers among agricultural employers during the survey period.

Worker Survey Results -- Usable schedules for the unemployment insurance analysis were obtained from 1,622 workers. These interviews

were conducted with 318 different employers. There were 115 employers with no workers on the day of employer contact. Ninety-four employers refused to allow worker interviews.

Worker Population Estimates From Survey Data -- Population estimates for worker characteristics were made by direct expansion of worker survey responses. The expansion factor for each worker was a function of the employer sampling rate, the sampling rate of employers for worker interviews, the number of employers permitting worker interviews, the number of employers refusing worker interviews, the total number of workers employed on the day of employer contact for worker interviews, and the number of usable worker schedules from each employer.

Background on Unemployment Insurance

The Unemployment Insurance System is a Federal-State program administered through state agencies and the United States Department of Labor. Ohio's first Unemployment Compensation Law was passed in 1936. This had been proceeded by the Social Security Act in 1935 by Congress, which with its financial inducements initiated unemployment insurance in all states. Although about 63 million jobs in the United States are covered by unemployment insurance, agricultural employment has never been covered.

Covered employers are taxed, contributing to a state unemployment fund for eligible, unemployed workers. In Ohio, a covered employer is one who employed one or more workers in 20 or more weeks during the current or preceding calendar quarter in either the current or preceding calendar year. The rate an employer pays depends on his individual experience (merit rating). The 1972 tax rates ranged from 0.2 percent to 3.8 percent.

Workers unwillfully unemployed receive weekly benefits. To qualify under the current law, a worker must have received $20 or more in wages in each of 20 or more weeks during the previous 12 months. How much an unemployed worker receives depends on the weeks of employment during the past year, his average weekly wage, and number of legally defined dependents. Benefits range from $10 to $87 per week. To receive the maximum weekly benefit, a worker must have four dependents or more and an average wage of over $156 per week. Benefits are normally received for 20 to 26 weeks depending on weeks of work during the previous year. To receive benefits for 26 weeks, the worker must have been employed in 32 of the previous 52 weeks and be unable to find employment in each of the 26 weeks. Benefits continue during the 20 to 26 week period only if the worker is unable to find employment similar to his regular type of work.

Summary of First State Report

The primary concern of the first report was comparison and evaluation of alternative unemployment insurance coverage provisions for agricultural employers and workers. Various measures can be used for classifying agricultural employers for exclusion or inclusion in an unemployment insurance program. The most common measures are number of workers employed, length of employment and quarterly payroll. Alternative coverage provisions are usually some combination of two or three of these measures. The economic consequences of alternative coverage provisions can be measured in terms of number of employers included, number of "worker items" covered and the estimated worker benefits as a percent of taxable agricultural earnings. A worker item is one person working for one employer. Thus, the same person working for more than one employer in the same year might account for several worker items.

From the employer data, population estimates were made for number of employers, wage items and man weeks, total payroll, unemployment insurance taxable payroll and first year contributions to the Unemployment Insurance Fund. These estimates were made for 132 employer coverage provision alternatives. The discussion concentrated on four of the alternatives. They are: 1) at least one worker for one week during the year, 2) at least one worker for at least 20 weeks or $1,500 payroll during any calendar quarter of the year, 3) at least four workers for at least 20 weeks, and 4) at least eight workers for at least 26 weeks. The first coverage alternative, one or more workers for one or more weeks, is the most inclusive as it would cover all employers. The second alternative is currently in effect for non-agricultural employers in Ohio. Such a provision could be extended to agriculture by simply removing the agricultural employment exemption now in the Ohio law. The third provision was introduced in the U.S. Congress in 1970. The fourth provision was passed by the Senate in 1970 but was not accepted in the Senate-House conference on the bill.

Worker population estimates were also made for each of the employer coverage provisions. The worker phase estimates included number of workers, potential and actual beneficiaries, benefit exhaustees, total and actual benefits, total and taxable earnings and benefit/cost ratios.

With an unemployment insurance employer coverage criteria of at lease one worker for at least 20 weeks or at least $1,500 quarterly payroll, more than 90 percent of the survey employer population and about 98 percent of the wage items would be included. Although the number of employers covered would decrease to about 4 percent of the total with the eight workers for 26 weeks provision, it is estimated that 25 percent of the worker items would still be covered. This indicates that there is a

substantial number of farm employers with relatively few worker items. With the relatively exclusive employer coverage provision of four workers for 20 weeks, more than 45 percent of the wage items would be covered, although only a small proportion (13 percent) of the employers would be covered.

Farms were divided into subgroups by farm type and gross sales per farm for additional analysis. With the relatively inclusive coverage criteria, a relatively high percentage of farms in each of the farm types would be covered. With the two more exclusive employer coverage provisions, practically all cash grain, dairy and livestock farms would be excluded from the unemployment insurance program. Similarly, the two more exclusive coverage alternatives would have little impact on the farms with less than $40,000 gross sales. A much higher percentage of the vegetable and miscellaneous farms would be included with the more exclusive coverage provisions and a substantial portion of the work items would also be covered. Even with the eight workers and 26 weeks coverage criteria discussed, 11.5 percent of the farms with $40,000 or more in gross sales would be included and about 44 percent of the total wage items of this size category would be included.

Approximately 55 percent of the survey worker population would be potentially eligible for benefits under the most inclusive employer coverage provision, one worker for one week. About 36 percent of these potential beneficiaries would have qualified as actual beneficiaries. Approximately 27 percent of the actual beneficiaries would have exhausted their benefits. These estimates need to be interpreted with some caution. The estimates were made assuming that worker patterns of employment and unemployment would not be affected through unemployment insurance coverage.

If the availability of unemployment insurance induced workers to reduce their inter-state movement, a higher percentage of the potential beneficiaries might become actual beneficiaries. However, there are offsetting factors. Some workers might be induced to work more weeks during the year to qualify for unemployment insurance benefits. This could lead to more migration if the desired agricultural employment were only available in another state.

The estimated actual benefits as a proportion of taxable earnings varied considerably with employer coverage criteria. The range was from 2.1 to 5.3. The cost rates for the four alternatives treated in detail in the report ranged from 3.1 to 4.1. The higher benefit/cost ratios tended to be associated with provisions covering only relatively large numbers of workers and relatively small "number of weeks" alternatives. These cost figures are "averages" for all employers. With the merit rating of employers, the rates would vary among employers after the program was functioning routinely. Employers whose workers experienced little or no compensable unemployment would have low tax rates, perhaps as low as the 0.1 percent allowable minimum. In contrast, employers whose workers had much compensable unemployment could have tax rates near or at the maximum rate of 4.7 percent.

The estimated cost rates are clearly within the feasible range if the standard for evaluation is the cost rates of the various types of employment already covered by unemployment insurance. There is relatively little variation in cost rates among the alternatives likely to be given serious consideration for coverage of agricultural employment. Consequently, selection of a specific coverage provision probably would be influenced relatively little by its estimated cost rate. However, the characteristics

of employers and workers covered and percent of employers and workers covered varies considerably among coverage alternatives. Farm size, farm type, number of workers and type of workers are related. Exclusive coverage alternatives tend to include a relatively high percentage of workers, particularly seasonal workers, and a small percentage of total farms. The farms included in this case tend to be relatively large in terms of sales and number of workers. The more exclusive coverage provisions tend to eliminate from coverage farms with relatively small but permanent work forces.

Comparison of some of the employer and worker population estimates of this study with Ohio Bureau of Employment Services reported data concerning unemployment insurance provides additional basis for evaluating likely consequences of extending unemployment insurance to agriculture. With the most inclusive coverage provision, any employer who has at least one worker for at least one week, it was estimated that 6,809 Ohio employers would be included. This is 6.7 percent of the number of total active non-agricultural employer accounts reported for Ohio for the 1970 year. Taxable agricultural payroll estimated in this study is .6 percent of the 1970 taxable payroll of all covered Ohio employers. The number of agricultural workers covered under the most inclusive coverage criteria is .9 percent of the average number of total workers covered in Ohio in 1970. The number of estimated actual agricultural beneficiaries is 2.1 percent of the total claimants receiving a first unemployment insurance payment in Ohio during 1970. The estimated actual benefits allocated to agricultural employment is 1.1 percent of the total Ohio benefit payments in 1970. Comparisons of estimates from this study for agricultural coverage with data concerning the actual functioning of the unemployment insurance program in Ohio in 1970 indicate that extension of coverage to agriculture would have relatively little impact on the size of the program in Ohio.

CHAPTER III

Characteristics of Hired Farm Workers

Unemployment insurance is worker oriented in that it is concerned with income loss due to unwillful unemployment. Much of the support for extension of unemployment insurance coverage to agricultural employment has grown out of concern for the perceived economic and social situation of hired farm workers. This chapter is concerned with characteristics of hired farm workers. Population estimates have been made from the worker survey data. Most of the data are for an estimated hired farm worker population in Ohio of 29,492. Some of the data and related discussion are for subgroups of workers. Comparison of the subgroups is helpful in better understanding the hetergeniety of the Ohio farm working force. It also provides insights into which workers are most likely to be influenced by unemployment insurance.

The population estimate for hired farm workers in Ohio from the survey data of this study is 29,492 workers. This estimate is based on the workers found in agricultural employment during the period July through October 1970. Detailed data were collected for a survey year extending from July 5, 1969 to July 4, 1970. Consequently, not all workers had agricultural employment during the survey year but they must have had agricultural employment during at least a part of the survey period to have been included in the study. This is because they may have been interviewed after the survey year of the 52 week period for which detailed data were being collected.

Hired farm workers ranged in age from 6 to 87 years. Relatively few female workers were over 60 years old (Table 3.1). Minority groups were an important part of the Ohio hired farm working force. About 29

Table 3.1

Age Distribution of Hired Farm Workers, By Sex, and Ethnic Group, Ohio, 1970

Age in Years	White		Chicano		All*
	Male	Female	Male	Female	
6 -12	458	130	292	488	1,459
13 - 17	5,251	1,304	1,051	807	8,647
18 - 21	1,630	376	1,213	1,101	4,485
22 - 30	1,589	331	723	1,303	4,064
31 - 45	2,906	505	1,058	892	5,628
46 - 60	1,564	797	793	209	3,447
61 - 87	1,437	102	90	54	1,702
No response	32	8	0	0	40
Total	14,868	3,554	5,219	4,854	29,492

* Includes White, Chicano, Black, Puerto Rican and other ethnic groups.

percent of the hired workers were female, 34.2 percent were Chicanos,[1/] 34.3 percent were less than 18 years old, and 5.8 percent were over 60 years old. Only 1.7 percent of the workers were Blacks and 1.3 percent were Puerto Ricans.

There were substantially more White males than White females. However, there were nearly as many Chicano females as Chicano males. As will be shown later in this chapter, most of the Chicano workers in the study were interstate migrants -- they had employment in more than one state. They generally came to Ohio to harvest processing vegetable crops, primarily tomatoes and cucumbers. They generally come in family groups with many in the family, including wives and children, seeking employment. There were 1,300 more Chicano females than White females among the 29,492 workers. About 53 percent of the workers ages 6 through 12 were Chicanos, while only about 21 percent of the workers ages 13 through 17 were Chicanos. Generally speaking, the Chicanos tended to be younger workers than the White ethnic group workers.

There were relatively few Chicano males in the 22 through 30 age category. There were considerably more males in the next lower and next higher age categories. For the 22 through 30 age group, there were probably better opportunities for intrastate employment in their home state, non-agricultural employment in Ohio (processing plants and driving truck, for example) and opportunities in other states where migrant farm worker employment is more oriented to single males.

Years of education which the workers had completed are shown in Tables 3.2 and 3.3. There was considerable range in education, even

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1/ Chicano, as used in this report, includes workers of Mexican or Spanish-American decent. They are sometimes referred to as Mexican-American or Spanish-American. Migrant and Chicano are not synonomous terms as Chicano is an ethnic group category.

Table 3.2

Education of Hired Farm Workers,
By Age Categories, Ohio, 1970

Years of Education	Age 6 - 17	18 - 30	31 - 45	46 - 87
	(Percentage Distribution)			
0	1.0	3.1	4.7	8.8
1 - 4	6.1	13.4	16.7	19.6
5 - 8	31.2	29.1	8.0	30.4
9 - 11	58.8	19.4	19.9	14.8
12	2.9	23.5	21.9	18.9
13 or more	0.0	11.5	8.8	7.5
Total	100.0	100.0	100.0	100.0

Table 3.3

Education of Hired Farm Workers, By Ethnic Group, Ohio, 1970

Years of Education	Ethnic Group		
	White	Chicano	All*
	Percentage Distribution		
0	.2	9.8	3.7
1 - 4	2.5	31.1	12.5
5 - 8	24.6	38.3	29.9
9 - 11	40.7	17.0	32.4
12	22.1	3.6	15.3
13 or more	9.9	.2	6.2
Total	100.0	100.0	100.0

* Includes White, Chicano, Black, Puerto Rican and other ethnic groups.

among workers of similar ages. Among the adult workers, there tended to be a negative relationship between age and education. Of the workers 46 or older, nearly three-quarters had less than 12 years of education. Only 35 percent of the workers ages 18 through 30 had 12 or more years of education. More than one-tenth of this age group of workers had some education beyond high school.

Overall, only 21.5 percent of the workers had 12 or more years of education. This is in part a result of 34.3 percent of the workers being less than 18 years old. There were appreciable differences in education between the white ethnic group and the Chicano ethnic group.

While nearly all the Whites had completed at least one year of school, 9.8 percent of the Chicanos had not. Nearly 80 percent of the Chicanos had completed 8 or fewer years of education as compared to about 27.3 percent of the Whites.[1/]

About two-thirds of the workers 18 years or older were married (Table 3.4). There was little difference in marital status of male workers as compared to female workers.

About two-fifths of the married workers 18 years or older owned a house or mobile home (Table 3.5). Less than 5 percent of the workers that had never been married owned a house or mobile home. Thus, only about one-fourth of the workers 18 years or older have attachment to any particular geographic area through home ownership.

1/ Howell, et.al., found that the educational attainment of children of Chicano migrant farm workers in Northwest Ohio was relatively higher than that of their parents. Children still in school were in the process of attaining a higher level of education than their parents. Most of the children who had quit school had completed more formal education than their parents. James Howell, Bernard Erven and John Bottum, "Migrant Farm Workers in Northwestern Ohio," Research Bulletin 1049, Ohio Agricultural Research and Development Center, Wooster, 1971.

Table 3.4

Marital Status of Workers 18 Years or Older,
By Sex, Ohio, 1970

Marital Status	Sex	
	Male	Female
	Percentage Distribution	
Married	68.8	62.1
Widowed	2.3	3.1
Divorced	3.2	1.7
Separated	.8	1.2
Never Married	24.9	31.9
Total	100.0	100.0

Table 3.5

Home Ownership Status of Workers 18 Years or Older,
By Marital Status, Ohio, 1970

Situation	Marital Status	
	Married	Never Married
	Percentage Distribution	
Own house	42.4	4.4
Own mobile home	1.3	0.4
Own neither house nor mobile home	56.3	95.2
Total	100.0	100.0

Less than half of the workers were born in Ohio (Table 3.6). More than 30 percent were born in either Texas or Mexico. West Virginia and Kentucky, both Ohio neighboring states, were the only other states accounting for an appreciable number of worker birthplaces. Thirty-three other states and Puerto Rico were mentioned as United States birthplaces. Countries other than the United States and Mexico accounted for less than 1 percent of the birthplaces.

Workers addresses at time of interview demonstrate the distribution of workers in Ohio (Figure 3.1). Hired farm workers were concentrated in the northern and western part of Ohio. About 58 percent of the workers were in the northern four geographic areas of the state. These areas include the labor intensive processing vegetable and nursery farm enterprises. The distribution of White and Chicano farm workers in the state is quite different (Figures 3.2 and 3.3). The White ethnic group workers are spread over much of the state with concentrations not related to any particular type of agriculture or farm type. On the other hand, the Chicano workers are concentrated in the processing vegetable production area of Northwestern Ohio. The shaded counties of Figure 3.3 generally correspond to the areas producing tomatoes and cucumbers for processing. The Chicano workers are involved primarily in the harvest of these two crops.

In contrast to address at the time of interview, what a worker considers his permanent address gives some indication of geographic attachment. Almost all of the white ethnic group workers gave an Ohio permanent address (Table 3.7). However, only about 12 percent of the Chicanos considered Ohio as their permanent address. Almost none of the Chicanos were born in Florida but about 8 percent consider Florida as their permanent address. They had left Texas and Mexico and had become

Table 3.6

State or Country of Birthplace of Workers,
Percentage Distribution, Ohio, 1970

State or Country	Percent
Ohio	48.5
Texas	23.4
Mexico	8.5
West Virginia	5.1
Kentucky	3.7
Other States and Countries	10.2
Data not available	.6
Total	100.0

Figure 3.1

Distribution of Workers, By Geographic Areas,
Ohio, 1970

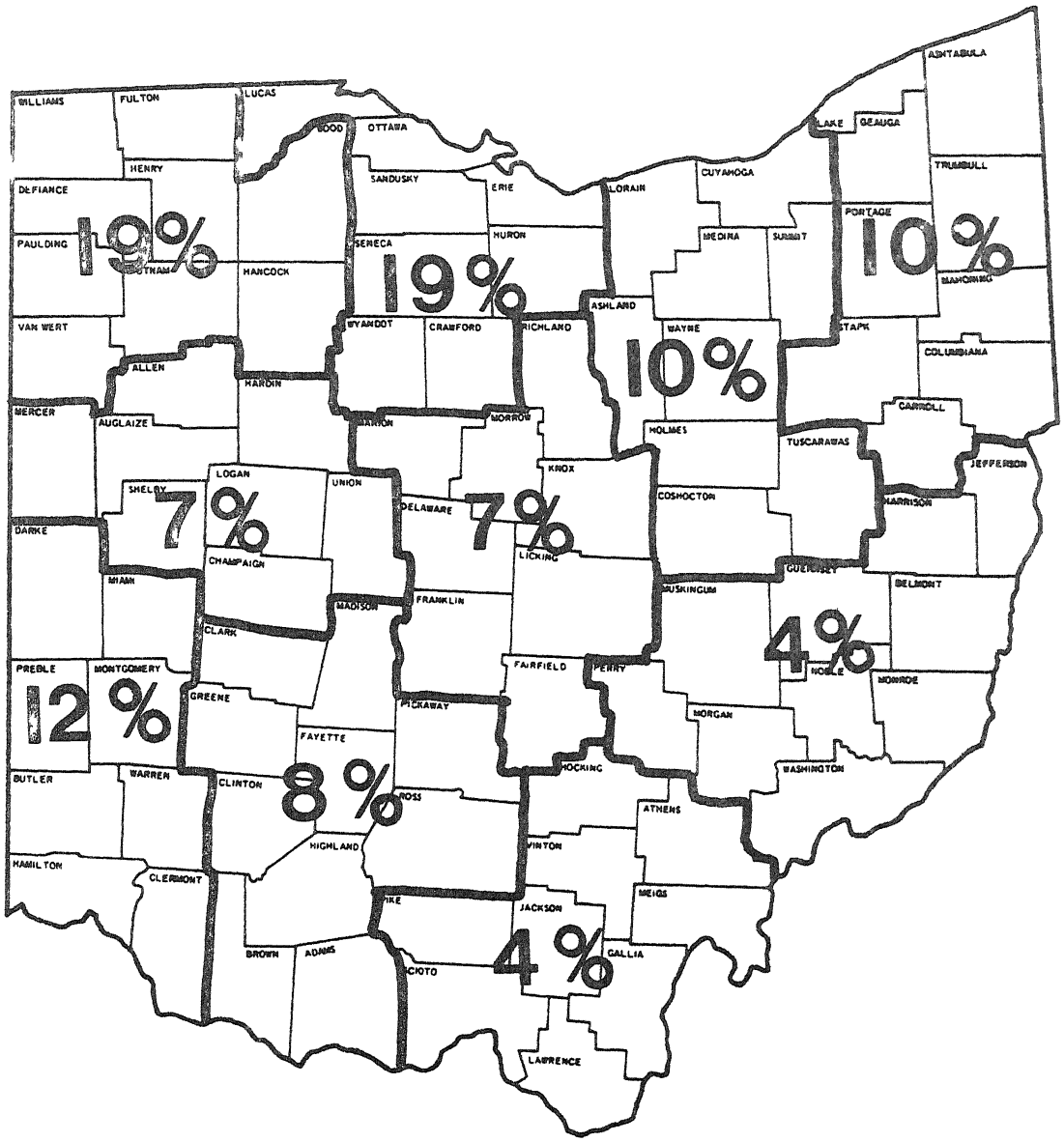


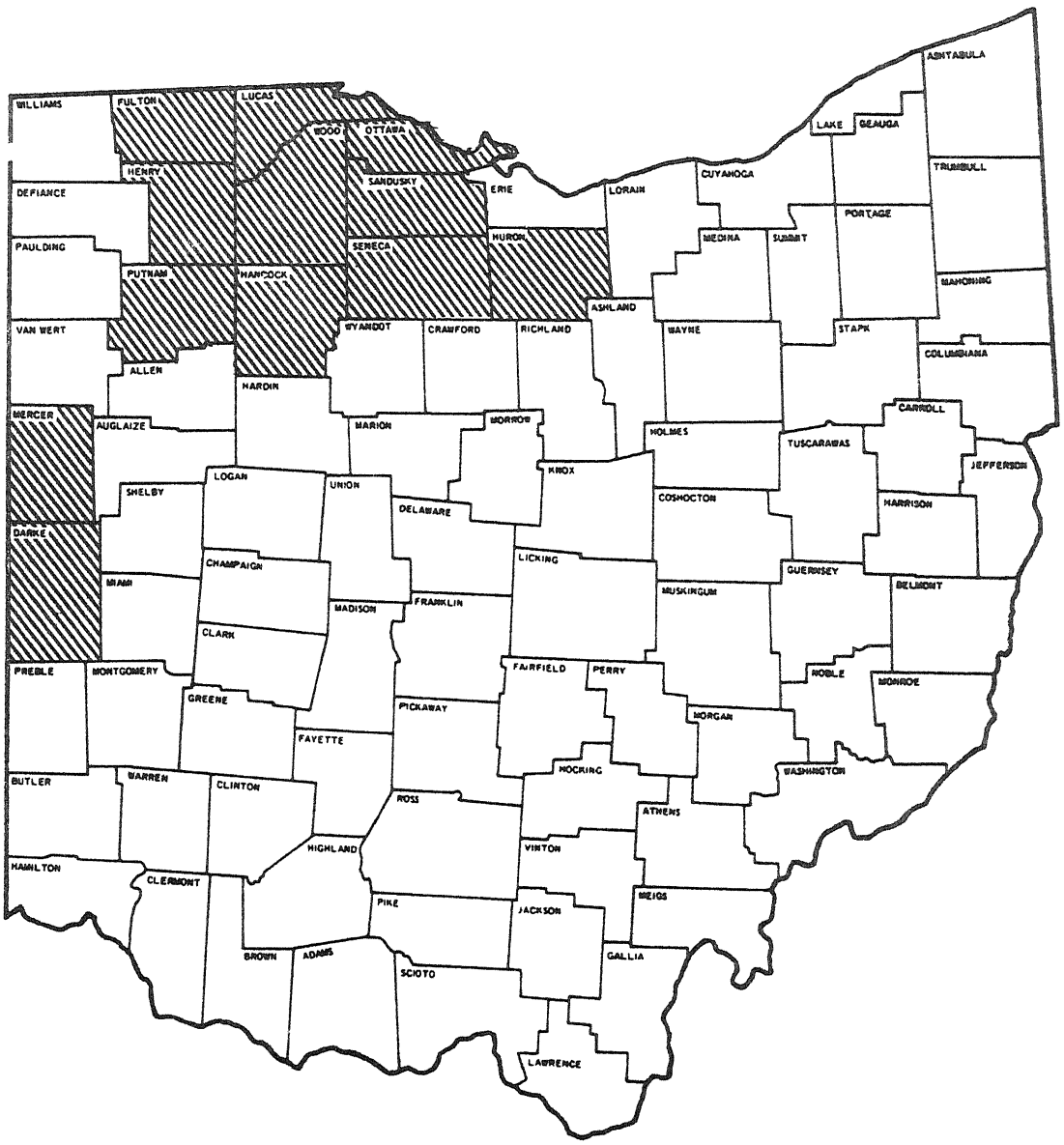
Figure 3.2

County of Address at Time of Interview, White Ethnic Worker Group, Ohio, 1970

Shaded counties account for 50 percent of white worker addresses.

Figure 3.3

County of Address at Time of Interview, Chicano Ethnic Worker Group, Ohio, 1970



Shaded counties account for 97 percent of Chicano worker addresses.

Table 3.7

Percentage Distribution of State or Country of Permanent Address, White and Chicano Ethnic Group Workers, 16 Years or Older, Ohio, 1970

State or Country	Ethnic Group	
	White	Chicano
	Percent	
Ohio	98.8	12.2
Texas	0.0	72.1
Florida	0.0	8.3
Mexico	0.0	5.3
Other	2.2*	2.1**
Total	100.0	100.0

* Includes Pennsylvania, Indiana, Illinois, West Virginia and Kentucky.

** Includes Indiana, Minnesota, Nebraska, and Oklahoma.

a part of the Florida to Ohio migrant stream probably becoming involved in the Florida citrus harvest. Only about one-fifth of the workers born in Mexico gave a Mexican permanent address.

About one-fifth of the workers were in their first year of hired farm work (Table 3.8). However, more than 46 percent were in their first year of employment with their current employer. About 10 percent of the workers were related to their employers. Nearly half of the farm workers had less than five years of hired farm work experience. This in part reflects the extensive employment of relatively young workers on farms. It probably also reflects a pattern of leaving agricultural employment for non-agricultural employment after relatively few years in the labor force. The seasonal nature of farm employment and interstate work patterns of some farm workers are additional factors contributing to farm workers having had relatively short periods of employment with their current employers.

Only 7 percent of the workers were on farms where they were the only employee (Table 3.9). More than half of the workers were employed by employers with 11 or more workers.

Employment Status

As part of the worker interviews, data were collected for a 52 week work period. This period, the survey year, extended from July 5, 1969 through July 4, 1970. For each of the 52 weeks of this survey year, detailed data were collected relative to employment, unemployment and earnings. The following work codes were used to classify the weeks of employment: (1) farm work for wages, (2) non-farm work for wages, (3) self-employed, (4) unpaid work and (5) working but type of work not

Table 3.8

Frequency Distribution of Years Doing Farm Work,
Total and For Current Employer, Ohio, 1970

Years	Percent of workers	
	Current Employer	Total
1 or less	46.4	19.1
2 - 4	29.8	27.5
5 - 9	11.3	17.4
10 - 14	4.3	11.5
15 - 19	4.1	10.6
20 - 29	3.3	7.8
30 or more	.8	6.1
Total	100.0	100.0

Table 3.9

Percentage Distribution of Workers, By Total Number of Workers Employed on Farm, Ohio, 1970

Number of workers employed on farm at time of worker interview	Percentage Distribution	
	Relative Frequency	Cumulative Frequency
1	7.0	7.0
2	6.3	13.3
3	5.4	18.7
4	4.2	22.9
5	4.2	27.1
6	4.6	31.7
7 - 10	10.6	42.3
11 - 20	15.3	57.6
21 - 35	10.9	68.5
36 - 65	10.8	79.3
66 - 149	11.4	90.7
150 or more	9.3	100.0

specified. The following "no work" categories were used: (1) looking for work, (2) bad weather, (3) wanted work but not looking, (4) traveling to new job, (5) retired, (6) unpaid vacation, (7) in school, (8) sick or injured, (9) keeping house, and (10) other. The "work" categories were combined into: (1) farm work for wages, (2) non-farm work for wages, and (3) other. The "no work" categories were combined into: (1) in school, (2) keeping house, (3) looking for work, and (4) other.

Using these last "work" and "no work" categories, each week of each worker's 52 week survey period was categorized. The resulting weekly distributions were then summed to provide monthly distributions of "work" and "no work" patterns (Table 3.10). This table includes a frequency distribution, for each month and for the 52 week survey year, of the various "work" and "no work" categories. The distribution of worker weeks for the survey year is illustrated in Figure 3.4. More than 68 percent of the June worker weeks were in farm work for wages. (A worker week is one week of one worker's time.) May through September were the relatively high months of farm work employment. Non-farm work was a relatively constant percentage of the worker weeks throughout the year with the exception of June, the final month of the survey year. This in part reflects the normal pattern of farm and non-farm work of the hired farm working force. However, the sampling methodology and timing of interviews may have influenced the patterns. To be included in this study, a worker must have been contacted through an agricultural employer which means he was engaged in farm work for wages at the time of the interview. However, practically all interviews were conducted after the survey year, i.e., after July 5, 1970. Therefore, a worker included in this study may not have had any agricultural employment during the survey year. All of his worker weeks would be included in a category other than

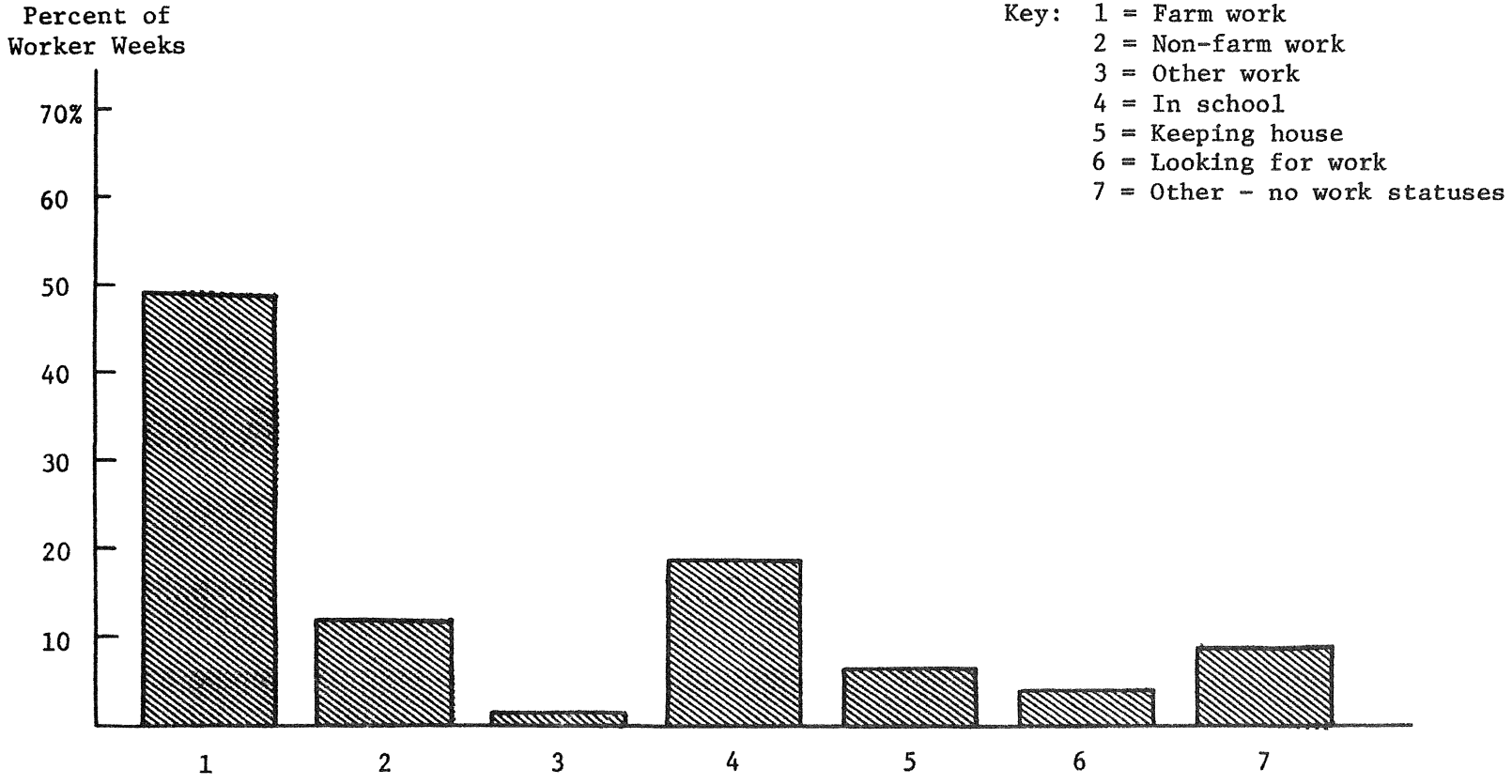
Table 3.10

Employment Status of Workers, By Month, Ohio, July 1969 to June 1970

Status	1969 July	Aug.	Sept.	Oct.	Nov.	Dec.	1970 Jan.	Feb.	Mar.	Apr.	May	June	Year
	Percentage of Worker Weeks												
Work Status													
Farm work	58.9	57.7	53.7	43.8	40.6	38.8	40.1	41.2	42.5	47.0	54.1	68.7	48.9
Non-farm work	12.3	12.0	12.4	12.3	13.5	13.1	12.3	12.2	11.9	10.9	10.6	7.6	11.8
Other	1.4	1.3	1.1	.6	.6	.5	.5	.5	.6	.7	.7	.7	.8
Sub-total	72.6	71.0	67.2	56.7	54.7	52.4	52.9	53.9	55.0	58.6	65.4	77.0	61.5
No Work Status													
In school	2.8	3.1	20.6	25.6	27.8	28.0	27.4	27.1	26.4	24.0	20.4	4.2	19.8
Keeping house	5.0	4.7	3.7	6.2	8.1	8.4	8.5	8.3	8.3	8.5	5.9	4.2	6.7
Looking for work	2.2	2.8	1.8	3.8	2.8	3.3	3.8	3.5	3.7	3.0	2.7	4.8	3.2
Other	16.9	17.9	6.2	7.2	6.2	7.5	7.0	6.8	6.2	5.5	5.3	9.6	8.5
Sub-total	26.9	28.5	32.3	42.8	44.9	47.2	46.7	45.7	44.6	41.0	34.3	22.8	38.1
Non-Respondents	0.5	.5	.5	.5	.4	.4	.4	.4	.4	.4	.3	.2	.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Figure 3.4

Employment Status of Workers, 12 Month Period,
July 1969 to June 1970, Ohio



farm work for wages in Table 3.10. Eighty-seven percent of the workers had some farm work for wages during the survey year. Seven percent had no hired work and six percent had only non-farm work during the survey year.

Generally speaking, shifts between farm work and non-farm work were relatively unimportant in accounting for variation in monthly percentage of worker weeks in farm work (Figure 3.5). Rather, shifts from "work" to "no work" statuses were the rule. Non-farm work ranged from 7.6 percent of the worker weeks in June to 13.5 in November. Shifts to school and keeping house from farm work were most common.

The workers spent about two-fifths of their weeks in one or more of the "no work" categories. Attending school accounted for more of the workers' time than any other single category with the exception of the farm work for wages category. The data in Table 3.10 are for all workers. The importance of the school category is better understood in examining the "work" and "no work" statuses broken down by age groups as in Tables 3.11 and 3.12. During the month of June, 58.1 percent of the workers ages 6 through 17 were in farm work. But during the month of December, 70.4 percent of this group were in school and only 17 percent were in farm work.

There were several major differences in employment statuses between the male and female workers (Table 3.13). The percentage of female worker weeks in farm work ranged from 25.5 in December to 61.2 in June. The seasonal variation in male worker weeks in farm labor was less than for the female workers. Non-farm work for wages was relatively unimportant for female workers but in December, 16.3 percent of the male worker weeks were spent in this category. There was little difference between male and female workers in percent of worker weeks

Figure 3.5

Percentage of Worker Weeks in Farm and Non-Farm Work,
By Month, Ohio, July 1969 to June 1970

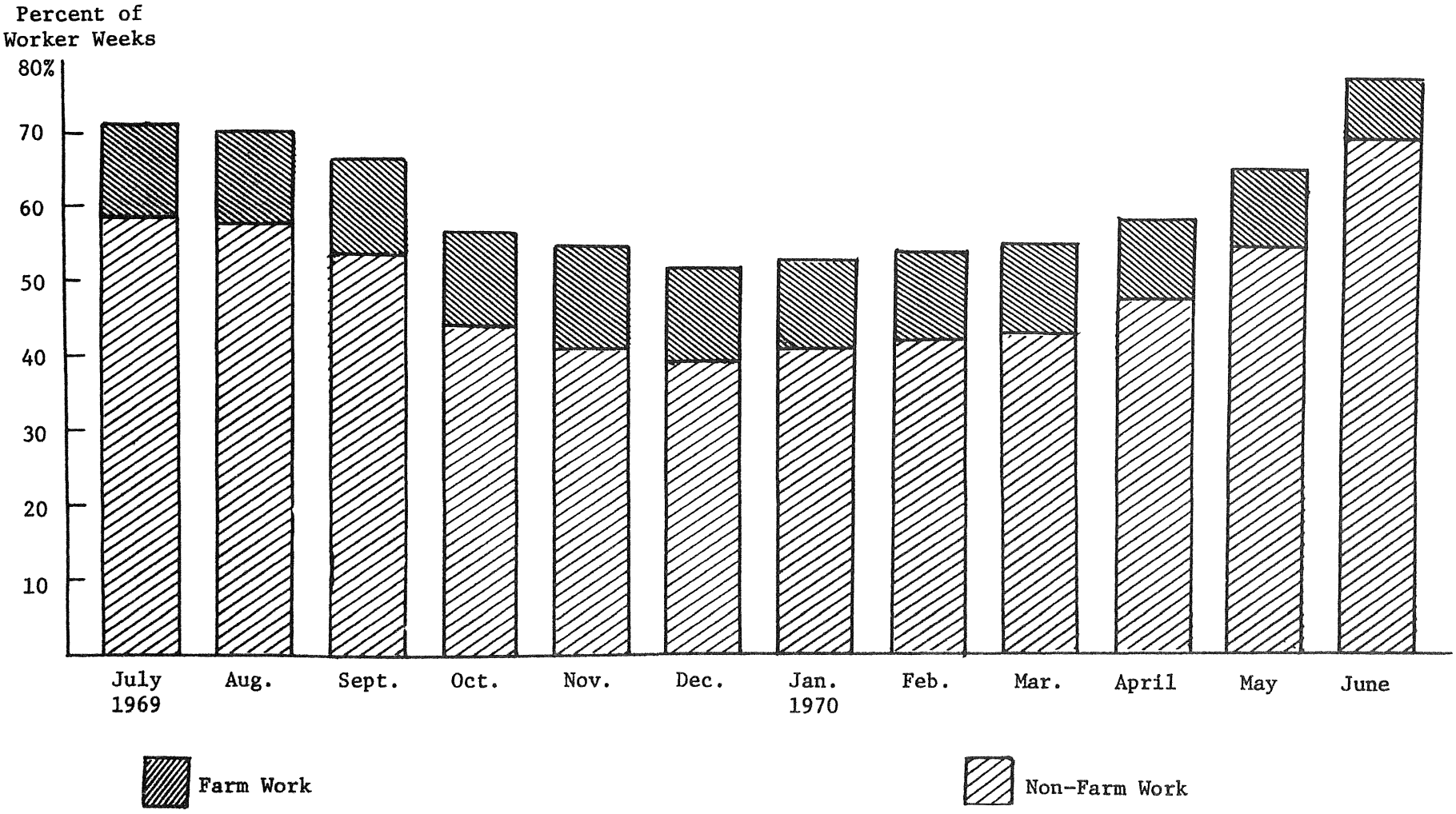


Table 3.11

Employment Status of Workers, By Age in Years, March and June, 1970, Ohio

Status	March 6-17	March 18-29	March 30-49	March 50-87	June 6-17	June 18-29	June 30-49	June 50-87
	(Percentage Distribution)							
Work Status								
Farm Work	22.2	42.4	55.6	77.8	58.1	69.6	79.9	85.3
Non-Farm Work	5.4	17.1	18.7	4.9	7.2	7.2	8.8	3.0
Other	.2	.3	.5	2.9	.4	.8	.2	2.6
Sub-total	27.8	59.8	74.8	85.6	65.7	77.6	88.9	90.9
No Work Status								
In School	65.2	13.5	.2	.0	3.8	2.6	.1	.0
Keeping House	.4	13.2	14.8	5.9	.7	5.6	7.8	1.6
Looking For Work	1.2	8.2	3.6	.4	8.0	7.5	.9	.7
Other	5.4	5.3	6.6	8.1	21.8	6.7	2.3	6.8
Sub-total	72.2	40.2	25.2	14.4	34.3	22.4	11.1	9.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3.12

Employment Status of Workers, By Age in Years, September and December, 1969, Ohio

Status	September				December			
	6-17	18-29	30-49	50-87	6-17	18-29	30-49	50-87
	(Percentage Distribution)							
Work Status								
Farm Work	31.1	58.1	68.0	81.5	17.0	37.8	53.1	75.1
Non-Farm Work	4.8	18.6	19.4	6.0	4.4	18.6	20.5	6.3
Other	.2	1.5	.3	5.3	.2	.4	.4	2.9
Sub-total	36.1	78.2	87.7	92.8	21.6	56.8	74.0	84.3
No Work Status								
In School	57.3	7.7	.3	.0	70.4	13.1	.2	.0
Keeping House	.6	4.3	7.4	3.4	.2	12.7	16.1	5.7
Looking For Work	.6	3.6	1.1	.6	1.3	7.2	3.0	1.8
Other	5.4	6.2	3.5	3.2	6.5	10.2	6.7	8.2
Sub-total	63.9	21.8	12.3	7.2	78.4	43.2	26.0	15.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3.13

Employment Status of Workers, By Selected Months and Sex, 1969-1970, Ohio

Status	1970				1969			
	March		June		September		December	
	Male	Female	Male	Female	Male	Female	Male	Female
	(Percentage Distribution)							
Work Status								
Farm Work	48.7	29.5	73.9	61.2	54.5	53.5	44.8	25.5
Non-Farm Work	15.3	4.4	8.9	3.2	15.8	4.9	16.3	4.2
Other	.7	.3	.9	.3	1.6	.3	.7	.3
Sub-total	64.7	34.2	83.7	64.7	71.9	58.7	61.8	30.0
No Work Status								
In School	25.1	29.1	1.9	2.4	21.9	21.8	27.4	29.1
Keeping House	.1	28.1	0.0	13.5	0.0	12.6	0.0	28.6
Looking for Work	4.0	3.0	5.3	4.7	1.7	1.2	3.7	2.7
Other	6.1	5.6	9.1	14.7	4.5	5.7	7.1	9.6
Sub-total	35.3	65.8	16.3	35.3	28.1	41.3	38.2	70.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

spent in school. Keeping house accounted for an appreciable percent of the worker weeks during the months November through April (Figure 3.6). The increase in farm workers during the summer months tends to be males who, in the preceeding months, had been in school or non-farm work. The females added to the farm labor force during the summer months tended to have been keeping house or have been in school. Relatively few female workers moved from non-farm to farm work during the year.

There were also some appreciable differences between the White and Chicano ethnic groups in "work" and "no work" patterns. The tendency toward a seasonal pattern of Chicano employment in hired farm work is illustrated in Table 3.14. Less than 30 percent of the Chicano worker weeks were in hired farm work during December as compared to 43.9 percent of the White worker weeks. In comparison to the Chicano group, the White group had considerably more "in school" weeks in March and December. Relatively few of the White workers were "keeping house" during March and December while more than 17 percent of the Chicano worker weeks were in this category.

It is apparent from the data in Tables 3.10 through 3.14 that the "work" and "no work" situation of hired farm workers involves movement to and from the labor force as well as shifts between employment and unemployment of those in the labor force. If one takes unemployment to be concerned with those in the labor force wanting to work but unable to find suitable work, then an understanding of the work patterns of farm employees involves more than employment versus unemployment.

Unemployment insurance programs are concerned primarily with unemployment due to the inability of people to find work. This "lack of work orientation" is limited to people in the labor force. People not working but not in the labor force are not of concern to unemployment

Figure 3.6

Percentage of Worker Weeks Keeping House,
Ohio, July 1969 to June 1970

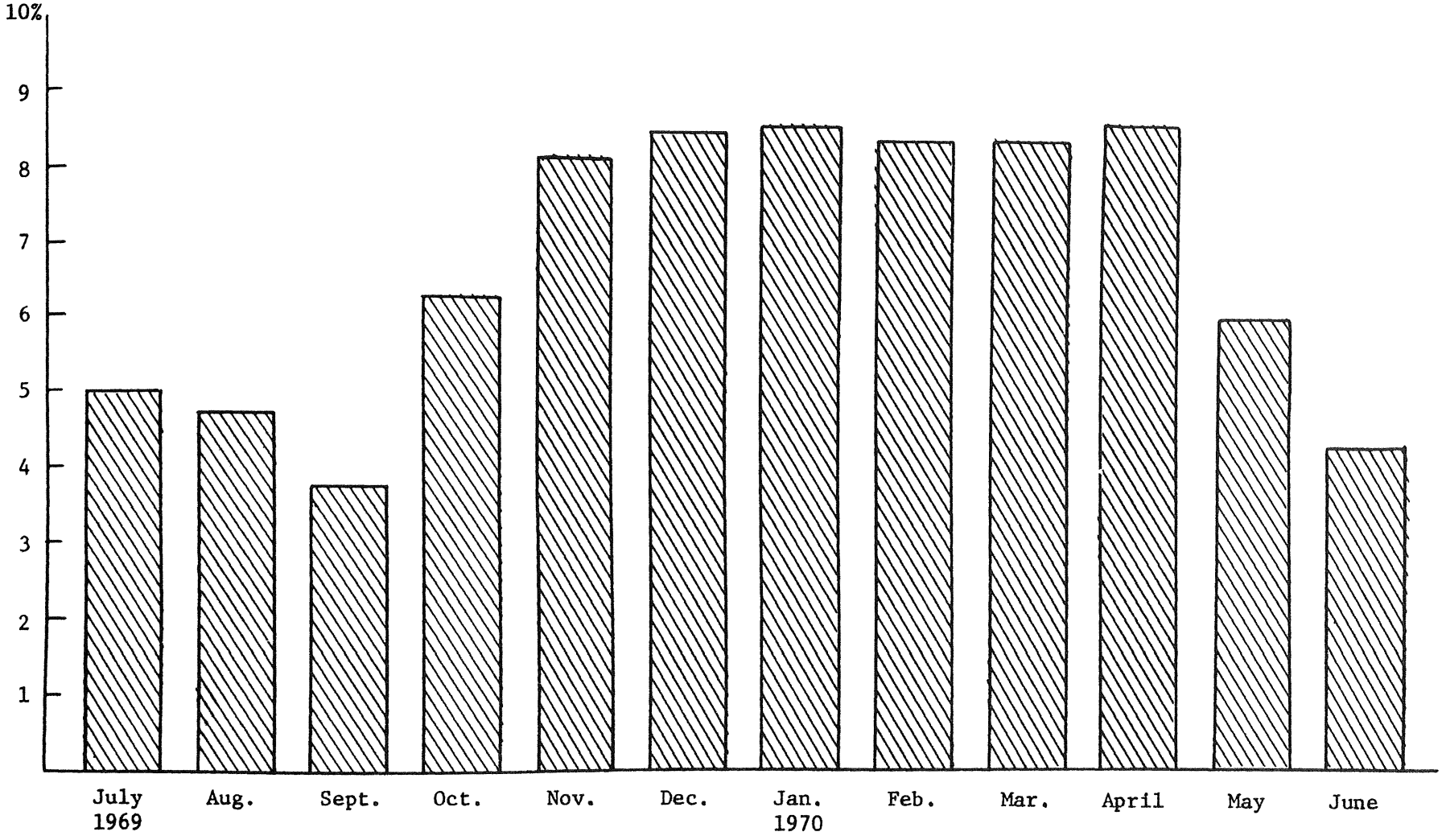


Table 3.14

Employment Status of Workers, By Selected Months and Ethnic Group, 1969-1970, Ohio

Status	1970				1969			
	March		June		September		December	
	White	Chicano	White	Chicano	White	Chicano	White	Chicano
	(Percentage Distribution)							
Work Status								
Farm Work	47.6	33.9	71.2	67.7	47.7	66.4	43.9	29.9
Non-Farm Work	11.7	13.5	8.0	6.1	14.1	9.8	13.1	12.7
Other	.8	.2	1.2	.0	1.7	.1	.8	.3
Sub-total	60.1	47.6	80.4	73.8	63.5	76.3	57.8	42.9
No Work Status								
In School	30.8	17.9	1.8	2.3	27.8	11.2	32.9	19.0
Keeping House	3.5	17.4	3.6	5.1	3.4	4.2	3.6	17.6
Looking for Work	1.6	7.4	3.1	8.7	1.1	2.4	1.1	7.3
Other	4.0	9.7	11.1	10.1	4.2	5.9	4.6	13.2
Sub-total	39.9	52.4	19.6	26.2	36.5	23.7	42.2	57.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

insurance programs. Such people are not looking for work. They may or may not be available for hired work.

The importance of the distinction between unemployed members of the labor force and non-members of the labor force is underscored in examination of reasons given for not working year-round (Table 3.15). Workers 16 years or older who did not work year-round during the survey year were asked to identify their reasons for not having worked year-round. About 35 percent of the respondents identified school attendance as a reason. This is expected given the extensive employment of 16 and 17 year olds on farms. Several additional reasons given for not working year-round indicated the respondents did not consider themselves to be in the labor force while not working, or available for work year-round. These reasons included "family to care for," "poor health," and "no need for year-round work." However, reasons given by other respondents indicate that they consider themselves part of the labor force but were unable to find work. It is this group that is of direct concern to unemployment insurance programs.

These data concerning reasons for not working year-round need to be interpreted with some caution. Labor force participation, work availability and suitable work are complex concepts not easy to define in a way that captures the perception workers have of themselves and their situations. For example, if one has given up attempting to find a job and is no longer looking, he would not be considered part of the labor force. Thus, women giving "family to care for" as a reason for not working year-round might be available for work if the opportunity presented itself.

Table 3.15

Reasons Given For Not Working Year-Round,
Workers 16 Years or Older, Ohio, 1970

Reason	Percent of cases in which reason was mentioned*
Family to care for	16.0
In school	35.6
Poor health	5.2
Work desired not available	20.0
Year-round work not available	16.6
Work for which qualified not available	9.4
No need for year-round work	2.7
Make more collecting unemployment insurance benefits	0.0
Other miscellaneous reasons	24.1

* Ninety-nine percent of workers 16 years or older who did not work year-round responded to the question.

This possibility is supported by worker reaction to the possibility of year-round employment. Of the workers 16 years or older who worked only part of the 12 months immediately preceeding the date of interview, about 62 percent indicated they would take a regular or year-round job if it were offered to them.

Unemployment insurance coverage of agricultural employment could influence the pattern of shifts in and out of the labor force particularly among female and school age workers. However, data are not available from this study to assess the likely degree of such modification in labor force participation as a result of unemployment insurance coverage.

Intrastate and Interstate Worker Comparisons

The seasonal nature of much of the agricultural production in Ohio is associated with substantial variation in hired farm employment during the year. Opportunities for seasonal employment, particularly in production and harvest of tomatoes and cucumbers for processing, attract workers to Ohio from other states. The importance of these interstate workers and some of their characteristics have been shown earlier in the chapter. In this section, comparisons are made of interstate and intrastate farm workers. An intrastate worker is defined as one having hired work only in Ohio during the survey year. An interstate hired worker had hired work in Ohio and at least one other state.

About 65 percent of the 29,492 workers had only intrastate hired work (Table 3.16). The importance of seasonal employment is again demonstrated by the fact that slightly more than half of the intrastate and interstate workers were in the labor force only part of the year. Persons retired, on unpaid vacation, in school, sick or injured, or keeping house were considered not in the labor force. Persons in the

Table 3.16

Type of Hired Work, Migratory Status and Labor Force Participation, Ohio, 1970

Item			No. of Workers	% of Total
Farm Workers			25,445	86.3
Intrastate hired work				
In labor force all year	9,362			(31.7)
In labor force part of year	9,849			(33.4)
Sub-total		19,211		(65.1)
Interstate hired work				
In labor force all year	2,933			(9.9)
In labor force part of year	3,301			(11.2)
Sub-total		6,234		(21.2)
Non-Farm Work Only			1,897	6.4
No Hired Work			1,953	6.6
No Response			197	.7
Total			29,492	100.0

labor force included those in farm work for wages, non-farm work for wages, self-employment, unpaid work and those not working but looking for work, wanting work but not looking, traveling to a new job and those not working because of bad weather.

Table 3.17 includes data by sex and ethnic group for those with farm work during the survey year. Practically all of the interstate workers were in the Chicano ethnic group. More than 63 percent of these workers were males. About three-fourths of the intrastate workers were males. The lower percentage of males in the interstate group reflects the tendency of Chicano migrants to work in family groups which involve the spouse and children.

Nearly 17 percent of the intrastate workers were Chicanos. Persons who were not able to find work in another state and only had employment in Ohio were classified as intrastate workers. The high proportion of these intrastate Chicano workers who were in the labor force only part of the year is an indication of the family employment opportunities provided in Ohio. These workers were generally members of a Chicano family which came to Ohio for seasonal work and then returned to their home state or moved to another state but did not have hired work outside Ohio. Of course, some of these Chicano interstate workers had "settled out," i.e., they were living year-round in Ohio. In some areas of the tomato and cucumber producing area, wives and children of former migrants have farmwork during the harvest season. This is most common for Chicano women who had harvesting experience as migrants before their husbands accepted year-round non-farm employment in Ohio.

Table 3.17

Farm Worker Migratory Status and Labor Force Participation,
By Sex and Ethnic Group, Ohio, 1970

Item	Male			Female		
	White	Chicano	Total*	White	Chicano	Total*
Intrastate Farm Workers						
In labor force all year	7,669	390	8,341	919	77	1,021
In labor force part of year	5,098	659	6,025	1,610	2,107	3,823
Sub-totals	12,767	1,049	14,366	2,529	2,185	4,844
Interstate Farm Workers						
In labor force all year	164	2,085	2,362	29	522	571
In labor force part of year	107	1,460	1,624	18	1,605	1,677
Sub-totals	271	3,545	3,986	47	2,127	2,248
Totals	13,038	4,594	18,352	2,576	4,312	7,092

* Includes White, Chicano, Black, Puerto Rican and other ethnic groups.

Comparing interstate and intrastate workers in the labor force all year, the interstate workers had about five times as many weeks of unemployment as intrastate workers (Table 3.18). Workers not in the labor force all year had relatively little unemployment or weeks in which they wanted to work but were unable to find a job. The interstate workers not in the labor force all year had nearly twice as many weeks in the labor force as the corresponding group of intrastate workers.

Intrastate workers in the labor force all year had the highest annual and weekly average hired earnings (Table 3.18). The intrastate workers not in the labor force all year had the lowest average weekly earnings. This probably reflects some combination of lower wage rates paid these workers and their shorter work weeks.

More than one-fourth of the intrastate farm workers in the labor force only part of the year were 16 or 17 years old (Table 3.19). These workers, mostly males, accounted for more than 10 percent of all farm workers. A much smaller percent of the interstate workers were 16 or 17 years old.

Earnings

Given the variation in weeks of work, length of work week, age of workers and kind of work in agricultural employment, one would expect considerable variation in annual earnings. Table 3.18 illustrates variations in mean earnings for intrastate and interstate workers. Table 3.20 includes further breakdowns of earnings data by several earnings categories. The two extreme categories for intrastate workers emphasize the variations within this worker group. More than one-fourth of the intrastate workers earned less than $500 during the survey year. However, nearly one-fifth earned $5,000 or more. In contrast, less than

Table 3.18

Selected Worker Characteristics, By Migratory Status and Labor Force Participation, Ohio, 1969-1970

Item	Intrastate Work Only		Interstate Work		All Farm Workers
	In Labor Force All Year	In Labor Force Part of Year	In Labor Force All Year	In Labor Force Part of Year	
Total workers with farm employment	9,361	9,849	2,933	3,301	25,445
Average weeks of employment	50.4	17.3	43.7	32.5	34.5
Average weeks of labor force unemployment	1.6	1.3	8.3	1.6	2.3
Average weeks out of labor force	0.0	33.4	0.0	17.9	15.3
Annual hired earnings	$4,458	$875	$2,650	$1,895	$2,530
Hired earnings per week of employment	$88	$51	$61	$58	$73

Table 3.19

Farm Worker Migratory Status and Labor Force Participation, Workers 16 and 17 Years Old, By Sex, Ohio, 1970

Item	Sex		Total	
	Males 16-17 Years Old	Females 16-17 Years Old	Total 16-17 Years Old	Percent of All Farm Workers
Intrastate Farm Workers				
In labor force all year	970	38	1,008	4.0
In labor force part of year	2,157	539	2,696	10.6
Sub-totals	3,127	577	3,704	14.6
Interstate Farm Workers				
In labor force all year	230	37	267	1.1
In labor force part of year	285	185	470	1.8
Sub-totals	515	222	737	2.9
Total	3,642	799	4,441	17.5

Table 3.20

Annual Earnings of Workers With Some Farm Employment,
By Migratory Status, Ohio, 1969-1970

Annual Earnings Categories	Number of Workers					
	Intrastate Workers		Interstate Workers		All Workers With Some Farm Employment	
	Number	Cumulative Percent	Number	Cumulative Percent	Number	Cumulative Percent
$1-499	5,019	26.9	236	4.1	5,255	21.5
500-999	1,995	37.5	804	17.9	2,799	32.9
1,000-1,499	2,556	51.2	714	30.2	3,270	46.2
1,500-1,999	1,104	57.1	1,562	57.1	2,666	57.1
2,000-2,499	614	60.4	529	66.2	1,143	61.8
2,500-2,999	1,139	66.5	501	74.8	1,640	68.5
3,000-3,499	735	70.4	219	78.6	954	72.4
3,500-3,999	631	73.8	482	86.9	1,113	76.9
4,000-4,499	957	78.9	275	91.6	1,232	82.0
4,500-4,999	480	81.5	174	94.6	654	84.6
5,000 or more	3,453	100.0	311	100.0	3,764	100.0
No response	527	xx	427	xx	956	xx
Total	19,210	xx	6,234	xx	25,444	xx

5 percent of the interstate workers earned less than $500. But, only slightly more than 5 percent earned $5,000 or more during the survey year. The modal annual earnings category for interstate workers was $1,500 through $1,999. About one-quarter of the interstate workers were in this earnings category.

Partial compensation of farm workers with perquisites is quite common in Ohio. Perquisites may include one or more of the following items or similar items: housing, transportation, meals, health insurance, life insurance, gasoline, farm commodities, paid vacation, retirement benefits, garden plots and utilities. More than half the farm workers in this study received one or more of these perquisites (Table 3.21). However, there was little difference in mean average earnings between recipients and non-recipients of perquisites. In comparison to intra-state workers, a much higher percentage of the interstate workers received some perquisites. Housing is almost always provided for migrant farm workers. Within the intrastate worker group, perquisites were more common for workers in the labor force during the entire year. This group tended to include the regular farm workers compensated in part with perquisites. The interstate workers in the labor force all year receiving perquisites had annual earnings of nearly $1,000 less than those not receiving perquisites.

Beneficiary Analysis

In this section, hired farm workers are analyzed in terms of their unemployment insurance beneficiary status. Workers are divided into three groups: potential beneficiaries, actual beneficiaries, and non-beneficiaries. A potential beneficiary is any person who meets the monetary requirement of the state unemployment insruance system in which

Table 3.21

Earnings and Prerequisites, By Migratory Status and Labor Force Participation, Ohio, 1969 - 1970

Item	Intrastate Work Only		Interstate Work		All Farm Workers
	In Labor Force All Year	In Labor Force Part of Year	In Labor Force All Year	In Labor Force Part of Year	
Total workers with farm employment					
Number	9,151	9,530	2,666	3,139	24,488
Avg. earnings	$4,436	$890	$2,812	$1,922	$2,557
Workers receiving no prerequisites					
Number	4,732	6,134	303	284	11,454
% of Total	51.7	64.4	11.4	9.0	46.8
Avg. earnings	$4,905	$811	$2,855	$1,630	$2,578
Workers receiving some prerequisites					
Number	4,419	3,396	2,363	2,855	13,034
% of Total	48.3	35.6	88.6	91.0	53.2
Avg. earnings	$3,935	$1,033	$2,803	$1,951	$2,539

he was interviewed in this study. In Ohio, this requirement is employment in 20 or more weeks of covered employment during the base period with earnings of $20 or more in each of the weeks. The base period is the 52 consecutive calendar weeks immediately preceding the benefit year beginning date. The benefit year is the 52 week period beginning with the first day of the week with respect to which an individual files a valid claim for benefits. If the worker met the qualifications of the state in which he was interviewed, he was classified as a potential beneficiary regardless of whether or not he would have qualified under the laws of any other state in which he may have worked or have filed for benefits. An actual beneficiary is any person who satisfies the monetary unemployment insurance benefit eligibility requirements and had one or more weeks of compensible unemployment. A week of compensible unemployment is a week in which a worker is involuntarily unemployed and is available for work on a job of the same or of a similar nature to that which he is usually employed. A non-beneficiary is any person not meeting the requirements to be considered a potential beneficiary. For example, a person employed for only 12 weeks during a 52 week period would be a non-beneficiary because of not having met the requirement of 20 weeks or more of employment.

This beneficiary analysis is based on 24,488 workers who had farm work during the survey year and for whom work and earnings data were available for each of the 52 weeks of the survey year. Since this analysis concentrates on characteristics of workers in various beneficiary classes, all hired farm work was assumed to be unemployment insurance covered. In essence, the employer coverage criteria was the most inclusive possible -- any employer who had one or more workers in one or more weeks.

About three-fifths of the workers were potential beneficiaries while two-fifths were non-beneficiaries (Table 3.22). Relative to potential beneficiaries, the non-beneficiaries worked fewer weeks during the survey year and earned considerably less per week. The interstate non-beneficiaries averaged 22 weeks of work, 7 more than the intrastate non-beneficiaries. During some of these weeks, the earnings were less than $20 and therefore did not count toward satisfying the 20 weeks of work requirement to be an unemployment insurance potential beneficiary.

If all the potential beneficiaries became actual beneficiaries through unwillful unemployment and met all other benefit requirements, their weekly benefits would have been about 50 percent of their average weekly earnings while employed. Most of the potential beneficiaries had sufficient weeks of employment during the base period to qualify for nearly the maximum 26 weeks of benefits, as the mean potential duration of benefits in weeks would have been 25.4.

About 36 percent of the potential beneficiaries became actual beneficiaries. The actual beneficiaries earned less per week and worked considerably fewer weeks than the potential beneficiaries. The weeks of work and average earnings of the actual beneficiaries are included in the potential beneficiary means. Therefore, the differences between actual beneficiaries, and potential beneficiaries who do not become actual beneficiaries, would be even greater than the differences shown in Table 3.22.

The average actual duration of benefits would have been approximately one-half the potential duration. The average weekly benefit amount of actual beneficiaries would have been approximately 54 percent of the average weekly earnings while working.

Table 3. 22

Earnings and Employment of Farm Workers,
By Migratory Status, Ohio, 1969-1970

Item	Only Intrastate Work	Interstate Hired Work	All Farm Workers
All Farm Workers			
Percent of all farm workers	76.3	23.7	100.0
Average weeks of work	33.3	37.6	34.3
Average earnings per week of work	$79	$62	$75
Potential Beneficiaries			
Percent of all farm workers	44.1	18.5	62.6
Average weeks of work	46.7	42.1	45.3
Average earnings per week of work	$90	$63	$82
Average potential weekly benefit amount	$42	$35	$40
Average potential duration of benefits in weeks	25.5	25.3	25.4
Actual Beneficiaries			
Percent of all farm workers	9.7	12.7	22.4
Average weeks of work	32.3	39.2	36.2
Average earnings per week of work	$74	$59	$65
Average weekly benefit amount	$36	$35	$35
Average potential duration of benefits in weeks	24	25	25
Average actual duration of benefits in weeks	15	11	13
Non-Beneficiaries			
Percent of all farm workers	32.2	5.2	37.4
Average weeks of work	15	22	16
Average earnings per week of work	$34	$55	$38

In examining characteristics of beneficiaries, one finds some important differences between intrastate and interstate workers. About two-thirds of the interstate potential beneficiaries became actual beneficiaries as compared to one-fifth of the intrastate workers. The intrastate actual beneficiaries' average weekly earnings was $15 more than the interstate workers but their average weekly benefit amount was only $1 more. The larger benefit amounts relative to weekly earnings for interstate workers results from their larger number of dependents.

The ethnic, sex, and age characteristics of the estimated 5,600 actual beneficiaries are shown in Table 3.23. Four of five beneficiaries would be Chicanos, although only 34 percent of all workers were Chicanos. About 6 percent of the White workers were actual beneficiaries as compared to 41.7 percent of the Chicano workers. Practically all interstate beneficiaries would be Chicanos and more of the intrastate worker beneficiaries would be Chicano than White.

Workers 19 years or younger made up 42.5 percent of the workers but accounted for only 13.9 percent of the actual beneficiaries. The younger workers would tend not to be actual beneficiaries because of lack of sufficient weeks of employment in the base period and/or not being available for work after discontinuing their farm employment. Being in school was the major reason for their not being available for work.

Unemployment Insurance Experience and Participation

It was assumed in this study that all workers eligible for unemployment insurance benefits would know of their eligibility and make timely and acceptable applications for the benefits. However, it is likely that the number of actual recipients of benefits would be less than the number qualifying for the benefits. Data are not available in this study to

Table 3.23

Characteristics of Actual Beneficiaries,
By Migratory Status, Ohio, 1969-70

Characteristics	Only Intrastate Hired Work	Interstate Hired Work	All Farm Workers
	(Number of Actual Beneficiaries)		
Ethnic Group			
White	1,124	61	1,185
Chicano	1,134	3,067	4,201
Other	107	107	214
Total	2,365	3,235	5,600
Sex			
Male	1,118	2,005	3,123
Female	1,247	1,230	2,477
Total	2,365	3,235	5,600
Age in Years			
Under 16	0	0	0
16 - 19	208	569	779
20 - 29	725	1,379	2,105
30 - 39	768	379	1,149
40 - 49	281	747	1,030
50 - 59	249	135	385
60 or over	127	19	146
Total	2,365	3,235	5,600

accurately assess the likely "effective" application rate of persons qualified for benefits. However, the data that are available provide some assistance relative to this question.

Workers having had experience with unemployment insurance would be expected to be sensitive to likely benefits to workers if it were extended to agricultural employment. Experience with unemployment insurance could be through non-agricultural employment and/or through contact with others who had received unemployment insurance benefits. The extent to which workers participate in other programs where application or some contact with a public agency is necessary is also indicative of the extent to which qualified workers might avail themselves of benefits from unemployment insurance. If unemployment insurance were extended to agricultural employment, it would be desirable to conduct a wide spread educational campaign so that workers would understand the program and be able to take advantage of the economic assistance it might provide them. For such an educational program, knowing to what extent workers make use of mass media would be helpful.

Workers 16 years and older had had very little experience with unemployment insurance (Table 3.24). Furthermore, more than half of these workers did not believe that unemployment insurance would make their job more attractive. However, these data need to be considered with some caution. Many workers probably did not understand the unemployment insurance program well enough to accurately assess its likely impact on the attractiveness of their job, although the interviewers did give a brief explanation of unemployment insurance to workers who obviously did not understand the program. A higher percentage of Chicanos than Whites felt that unemployment insurance would make their job more attractive.

Table 3.24

Experience and Attitude, Unemployment Insurance,
Workers 16 Years and Older, By Ethnic Group, Ohio, 1969

Item	Percent of Cases With "Yes" Response		
	White	Chicano	All Ethnic Groups*
Have you ever received UI benefits?	16.3	3.2	11.4
Has any member of your household ever received UI benefits?	14.9	3.7	10.5
Would UI coverage make a job more attractive?	38.5	54.4	45.1

* Includes White, Chicano, Black, Puerto Rican, and other.

White workers 16 years or older had relatively little first hand experience with several selected public services (Table 3.25). In contrast, more than half of the Chicanos had made use of free medical clinics and two-fifths had received food stamps. About 12 percent had received welfare payments. Thus, generally speaking, Chicanos had had more experience with public services than Whites, but many Chicanos had no such experience. Thus, if unemployment insurance were extended to agricultural employment, it would be advisable to have an extensive educational program aimed at agricultural workers. Such a program would need to be concerned with both the general nature and objectives of unemployment insurance and the specifics of benefit eligibility, application and receipt.

Mass media should be an effective means of reaching many agricultural workers with information concerning unemployment insurance. Newspapers should be considerably more effective in reaching White workers than Chicano workers (Table 3.26). Both radio and television should be effective in reaching agricultural workers. However, given the percentage of workers who make no use of any mass media, other channels for information dissemination would need to be identified. In that employers as well as workers would need to be informed concerning unemployment insurance, it should be possible to provide some information to workers through employers and distribution of phamplets at work sites. It is unlikely that any educational program for workers would be successful if limited to any one method or source of information.

Table 3. 25

Percentage of Workers 16 Years or Older Using Selected Public Services, By Ethnic Group, Ohio, 1969

Service	Percent of Cases Who Used Service		
	White	Chicano	All Ethnic Groups*
Free medical clinic	5.6	50.9	22.2
Food stamps	7.0	39.4	18.7
Welfare payments	1.7	12.3	5.6
Nursery or day-care centers	0.7	7.7	3.5
Surplus foods	0.4	6.0	2.7
Free legal aid	0.6	3.5	1.7

* Includes White, Chicano, Black, Puerto Rican and other.

Table 3. 26

Use of Mass Media, By Ethnic Group,
Workers 16 Years and Older, Ohio, 1970

Media	Percent of Workers		
	White	Chicano	All Workers*
Read Newspaper			
Regularly	66.8	21.2	49.8
Occasionally	10.1	19.6	13.6
Seldom	14.6	24.8	18.3
Never	8.4	34.5	18.3
Listen to Radio News			
Regularly	70.7	34.6	57.6
Occasionally	12.6	28.8	18.5
Seldom	11.5	19.7	14.3
Never	5.2	16.9	9.6
Watch Television News			
Regularly	56.2	40.2	50.5
Occasionally	17.3	19.8	18.1
Seldom	16.8	19.1	17.3
Never	9.7	20.9	14.1

* Includes White, Chicano, Black, Puerto Rican and other ethnic groups.

CHAPTER IV

Characteristics of Agricultural Employers

This chapter is concerned with payroll and employment data of agricultural employers. The data are for the 1969 calendar year. Of particular concern in this chapter are size, farm type, and labor use differences important in assessing the likely impact of unemployment insurance on farm businesses and agricultural production in general.

All firms analyzed in this chapter had some agricultural production in Ohio during 1969 and had some hired farm labor. Also, they may have had some non-agricultural production, processing, service or marketing activities.

Farms were classified by type based on source of income from cash sales. (The glossary following Chapter VII contains a more detailed discussion of farm type determination.) Livestock and dairy farms were the most common farm types (Table 4.1). The miscellaneous farm type includes primarily nurseries, greenhouse operations, and horse farms. The general farms include primarily those operations on which both livestock and crop enterprises are important sources of cash receipts but no one farm product accounted for 50 percent or more of the total cash receipts. This type also includes the specialized field seed crop producers. The vegetable farm type included mostly producers of tomatoes and cucumbers for processing. Some fresh market producers are also included in this type.

Farm employers tend to be concentrated in the northeastern and the eastern parts of the state (Figure 4.1). Most of the vegetable farms are in the northwestern part of the state. The two northwestern areas accounted for 17 percent of the employer addresses but 38 percent

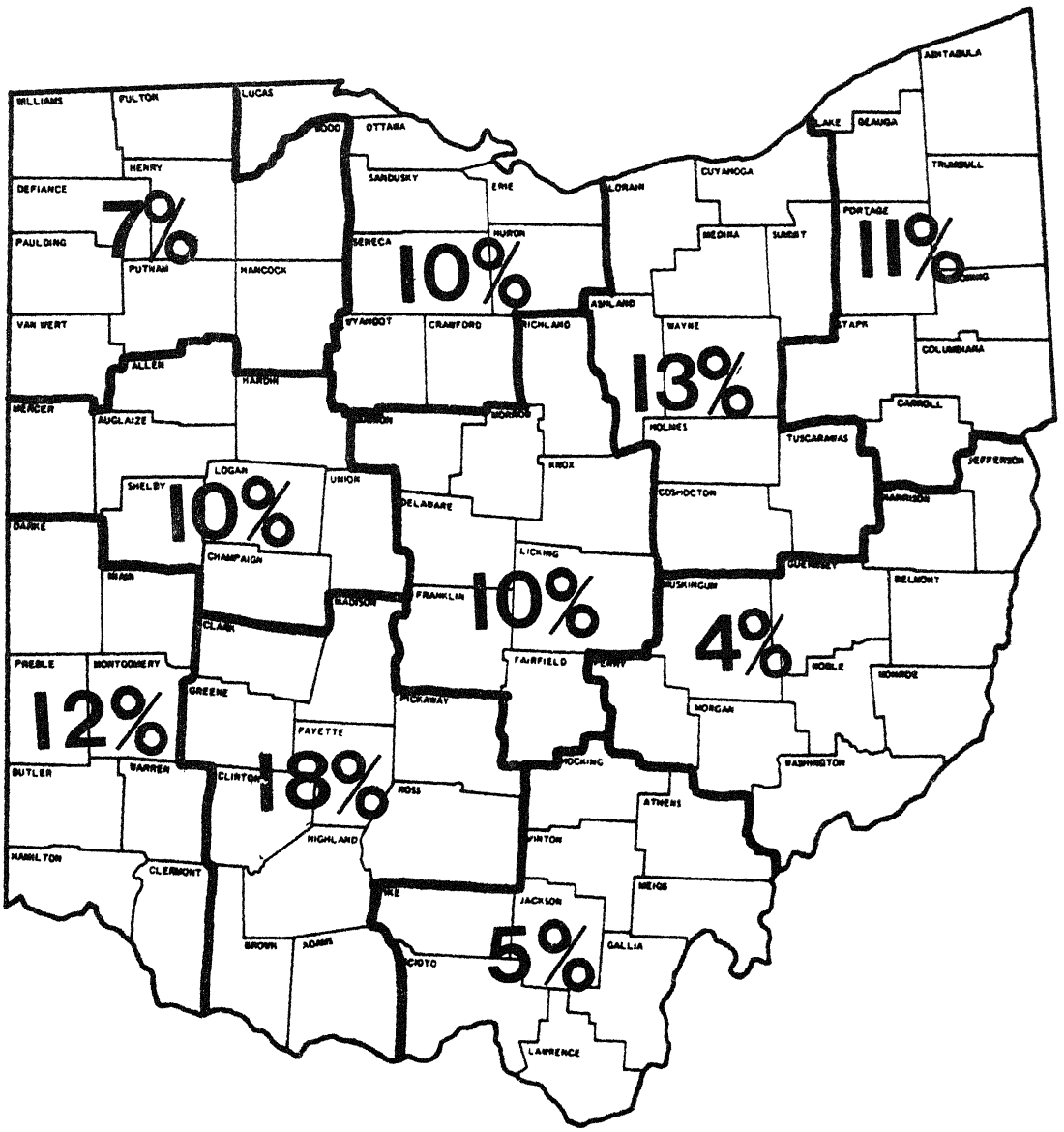
Table 4.1

Distribution of Farms, By Type, Ohio, 1969

Type	Number of Farms	Percent of Farms
Livestock	2,035	27.7
Dairy	1,851	25.2
Cash grain	1,165	15.9
Miscellaneous	824	11.2
General	478	6.5
Vegetable	348	4.7
Fruit	315	4.3
Poultry	203	2.8
Tobacco	69	.9
Other field crops	59	.8
Total	7,347	100.0

Figure 4.

Distribution of Employers' Addresses, Ohio, 1969



of the worker addresses (Figure 3.1). The two southwestern areas have primarily livestock and cash grain farms. These two areas include 30 percent of the employers but only 20 percent of the workers. Southeastern Ohio has relatively few employers and workers.

Nearly three-fourths of the farms were organized as individual or family proprietorships (Table 4.2). Partnerships were the second most common type of organization. Many of these partnerships were family arrangements involving fathers and sons, or brothers or other close relatives. Only 7.1 percent of the farms were organized as corporations and nearly all these farms had less than ten stockholders. Many of the corporations were family arrangements which have been incorporated to facilitate inter-generational transfer and tax management. Modern agriculture is often characterized as being dominated by large agri-business firms, with primarily non-agricultural interests. However, in this study, very few such firms were found operating farms and employing farm workers in Ohio.

Total value of sales is one measure of farm size. There was considerable variation in value of sales among the 7,347 farms in the study (Table 4.3). About half had sales of less than $30,000. However, 10 percent had sales of $100,000 or more. For each of the farm types shown in Table 4.4 nearly three-fifths or more of the farms had less than $40,000 in sales. There were very few dairy and cash grain with sales of $100,000 or more.

Cash Wages

The miscellaneous farm type had the highest mean total cash wages (Table 4.5). Total wages included wages paid regular and seasonal workers. Contract labor expenses and the value of perquisites provided workers

Table 4.2

Type of Farm Business Organization, Ohio, 1969

Type	Percent of Farms
Individual or family (excluding partnerships and corporations)	74.4
Partnership	16.4
Corporation	7.1
Other	1.2
No response	.9
Total	100.0

Table 4.3

Total Value of Sales of Agricultural Products, Ohio, 1969

Sales Category	Percent of Farms	Cumulative Percentage
Less than $10,000	17.4	17.4
10,000 - 19,999	21.0	38.4
20,000 - 29,999	12.4	50.8
30,000 - 39,999	15.6	66.4
40,000 - 49,999	7.0	73.4
50,000 - 59,999	4.8	78.2
60,000 - 79,999	6.7	84.9
80,000 - 99,999	4.2	89.1
100,000 - 249,999	7.6	96.7
250,000 - 499,999	1.7	97.8
500,000 and over	.7	98.5
No response	1.5	100.0

Table 4.4

Percentage Distribution of Sales Categories, By Farm Type, Ohio, 1969

Sales Category	Farm Type						All Farms
	Dairy	Live-stock	Cash Grain	Vegetable	General	Miscellaneous	
Less than $40,000	75.8	62.0	74.6	63.3	67.8	59.3	67.5
$40,000 - $99,999	21.8	25.5	19.2	22.2	19.2	21.5	23.0
$100,000 - $249,999	2.4	10.6	5.8	10.7	11.0	13.8	7.7
$250,000 and over	0.0	1.9	.4	3.8	2.0	5.4	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 4.5

Mean Total Cash Wages and Percent of Total Wages Paid Regular Workers, By Farm Type, Ohio, 1969

Farm Type	Number of Farms	Mean Total Wages	Mean Total Wages Paid Regular Workers	Percent of Total Cash Wages Paid Regular Workers
Dairy	1,851	$4,022	$2,937	73.0
Livestock	2,035	4,180	3,179	76.1
Cash grain	1,165	3,465	2,172	62.7
Miscellaneous	824	26,648	17,957	67.4
General	478	12,200	4,242	34.8
Vegetable	348	19,647	6,703	34.1
All farms	7,347	8,281	5,015	56.0

are not included. The relatively large mean for the miscellaneous farm type is due primarily to the nurseries included in this farm type. Dairy, livestock and cash grain farms were the most common farm types. All three types had relatively low mean total wages paid farm workers. These farms tend to be smaller, less labor intensive and greater utilizers of family labor than the other farm types.

Wages paid regular workers account for about one-third of the total wages for general farms and vegetable farms. Regular workers are those working 150 days or more for the same employer in 1969. Seasonal workers worked less than 150 days for the same employer. For the other farm types, wages paid regular workers accounted for 63 percent or more of the total wages. The importance of seasonal workers for the vegetable farms is due to the employment of hired workers for harvest. The high percentage of wages paid seasonal workers by the general farm type is due primarily to the detasseling workers of the field seed crop producers included in this type.

Mean total cash wages paid all workers and mean wages paid regular workers are considerably higher for the farms with $250,000 or more in cash sales (Table 4.6). However the percent of wages paid regular workers varies relatively little among the four sales categories. The mean total wages on farms with less than $40,000 in sales is less than $3,000. Although there are many farms in this size category with hired labor, they employ relatively few workers per farm.

Quarterly and Monthly Variations in Payroll and Number of Workers

Quarterly variation in total wages paid hired farm workers is shown in Table 4.7. The second and third quarters had the highest payroll means. The means were similar for these two quarters for all farm types

Table 4.6

Mean Total Cash Wages and Percent of Total Wages Paid
Regular Workers, By Value of Sales of Agricultural Products, Ohio, 1969

Sales Category	Number of Farms	Mean Total Wages	Mean Total Wages Paid Regular Workers	Percent of Total Cash Wages Paid Regular Workers
Less than $40,000	4,883	$2,902	$1,666	57.4
$40,000 - $99,999	1,668	$8,257	$4,930	59.7
$100,000 - $249,999	559	$26,394	$15,590	59.1
$250,000 and over	130	$129,283	$83,360	64.5
All farms	7,347	$8,281	$5,015	60.6

Table 4.7

Mean Total Wages Per Farm, By Quarter and Farm Type, Ohio, 1969

Quarter	Farm Type						All Farms
	Dairy	Live-stock	Cash Grain	Vegetable	General	Miscellaneous	
January-March	$790	$792	$508	$1,364	$929	$5,294	$1,334
April-June	$1,065	$1,034	$1,010	$3,294	$2,738	$7,535	$2,074
July-September	$1,107	$1,071	$1,176	$11,345	$6,271	$6,853	$2,706
October-December	$939	$950	$757	$3,334	$1,867	$6,251	$1,875

except vegetable and general farms. The third quarter payroll for vegetable farms was considerably higher than for other quarters because of the tomato and cucumber harvest.

Tables 4.8 to 4.13 show monthly variation in number of workers for each of the major farm types. The data are for the middle week of each month. The relationship between each month and the peak month is shown as a percentage of the peak month mean. These percentages allow direct comparison of seasonality of hired worker employment among the farm types (Figure 4.2).

The vegetable and general farms had the greatest monthly variation in number of workers. The August peak for vegetable farms reflects the employment of interstate workers for tomato harvest. The July peak for general farms is due to the temporary employment of corn detasselers. The high standard deviation for this July mean stems from a relatively small number of firms employing large detasseling crews.

Dairy and livestock farms had very similar monthly distributions of labor. June and July are the peak months. This is primarily due to hiring additional workers for hay making. The relatively constant level of hired labor during the autumn, winter and spring months illustrates the "evening out" effect of livestock enterprises.

Farms in the miscellaneous category had relatively uniform levels of hired workers with the exception of the winter months. This reflects the relatively long "season" for the nursery farms. Greenhouses accounted for much of the hired labor during the winter months.

Movement of hired labor from farms of one type to farms of another type is sometimes suggested as a means of reducing the seasonal employment problem in agriculture. However, these data suggest only limited possibilities for such an approach to the problem. All farm types had

Table 4.8

Number of Workers, By Month, Dairy Farms, Ohio, 1969

Month	Mean Number of Workers	Standard Deviation	Mean as Percent of Highest Month
January	1.1	1.3	50.0%
February	1.2	1.4	54.5
March	1.2	1.4	54.5
April	1.4	1.5	63.6
May	1.6	2.3	72.7
June	2.2	2.1	100.0
July	2.2	2.4	100.0
August	1.7	1.8	77.3
September	1.4	1.7	63.6
October	1.3	1.4	59.1
November	1.3	1.5	59.1
December	1.2	1.5	54.5

Table 4.9

Number of Workers, By Month, Livestock Farms, Ohio, 1969

Month	Mean Number of Workers	Standard Deviation	Mean as Percent of Highest Month
January	1.1	1.6	55.0%
February	1.1	1.5	55.0
March	1.1	1.6	55.0
April	1.3	1.7	65.0
May	1.6	2.0	80.0
June	2.0	2.4	100.0
July	1.8	2.2	90.0
August	1.7	2.7	85.0
September	1.5	2.9	75.0
October	1.4	2.2	70.0
November	1.2	1.6	60.0
December	1.1	1.6	55.0

Table 4.10

Number of Workers, By Month, Cash Grain Farms, Ohio, 1969

Month	Mean Number of Workers	Standard Deviation	Mean as Percent of Highest Month
January	.5	1.0	23.8%
February	.5	1.0	23.8
March	.6	1.1	28.6
April	.9	1.3	42.9
May	1.2	2.1	57.1
June	1.6	2.8	76.2
July	2.1	4.8	100.0
August	2.0	5.2	95.2
September	1.5	4.7	71.4
October	1.0	2.0	47.6
November	.9	1.3	42.9
December	.6	1.2	28.6

Table 4.11

Number of Workers, By Month, Vegetable Farms, Ohio, 1969

Month	Mean Number of Workers	Standard Deviation	Mean as Percent of Highest Month
January	1.1	4.2	6.2%
February	1.1	4.4	6.2
March	1.3	4.7	7.3
April	2.3	6.9	13.0
May	4.5	9.7	25.4
June	8.9	27.4	50.3
July	13.4	25.2	75.7
August	17.7	21.9	100.0
September	15.9	18.1	89.8
October	3.2	9.3	18.1
November	1.4	4.9	7.9
December	1.2	4.4	6.8

Table 4.12

Number of Workers, By Month, General Farms, Ohio, 1969

Month	Mean Number of Workers	Standard Deviation	Mean as Percent of Highest Month
January	.8	2.8	7.9%
February	.8	2.8	7.9
March	.9	2.9	8.9
April	1.5	7.4	14.9
May	2.0	7.8	19.8
June	5.5	11.5	54.5
July	10.1	59.1	100.0
August	5.4	16.7	53.5
September	6.1	11.3	60.4
October	2.6	10.0	25.7
November	1.1	3.2	10.9
December	.8	2.7	7.9

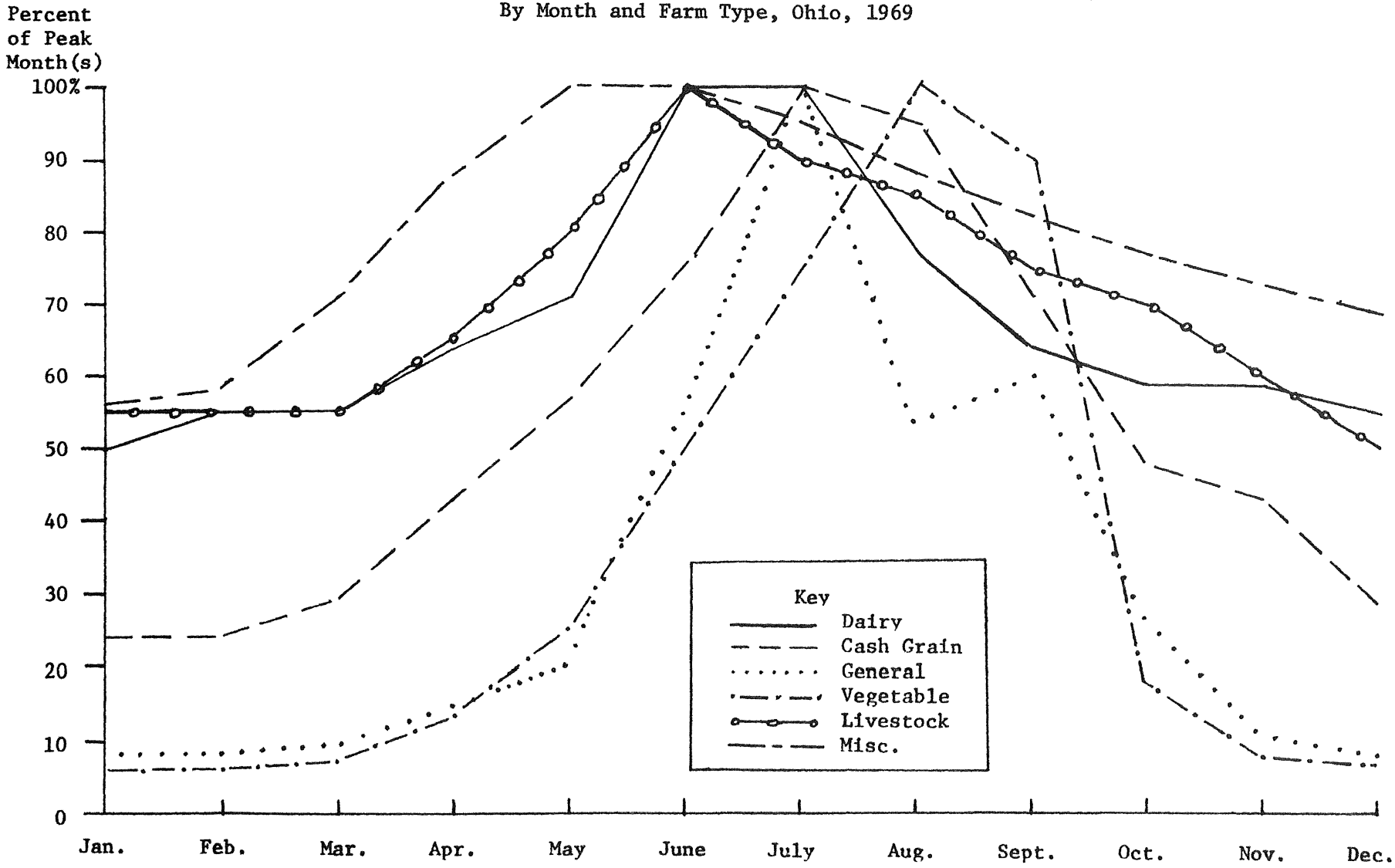
Table 4.13

Number of Workers, By Month, Miscellaneous Farms, Ohio, 1969

Month	Mean Number of Workers	Standard Deviation	Mean as Percent of Highest Month
January	4.3	16.1	55.8%
February	4.5	16.8	58.4
March	5.5	17.7	71.4
April	6.8	19.6	88.3
May	7.7	20.8	100.0
June	7.7	23.8	100.0
July	7.3	24.8	94.8
August	6.8	22.6	88.3
September	6.3	18.7	81.8
October	5.9	16.5	76.6
November	5.6	15.8	72.7
December	5.3	16.6	68.8

Figure 4.2

Mean Number of Workers Per Farm as Percent of Peak Month Mean,
By Month and Farm Type, Ohio, 1969



their peak months during the period June to August. The possibilities of workers moving from one farm type to another in Ohio seem limited to workers involved in corn detasseling, and vegetable, tomato, cucumber, and fruit harvest. Many of the interstate workers already are involved in several of these activities. There seems to be little possibility of increasing movement among farm types in Ohio within the production year.

CHAPTER V

Changes in Ohio Agriculture and Unemployment Insurance

Agricultural employment is influenced by changes in Ohio agriculture which in turn have an impact on unemployment insurance. The first part of this chapter is concerned with two changes in Ohio agriculture which are likely to influence agricultural employment and thus unemployment insurance. The second part of this chapter is concerned with likely changes in agricultural employer recruitment and personnel management practices as a result of unemployment insurance coverage.

Changes in Ohio Agriculture

Although there are likely to be many important changes in Ohio agriculture during the next five to ten years, two are discussed here. The two are increased mechanization and increased complexity of agricultural employment. They were chosen because of their likely major impact on agricultural employment.

Increased mechanization -- The relative importance of mechanization has increased in Ohio agriculture as the number of farms and labor input has decreased. Although the proportion of total labor which is hired has remained fairly constant, the absolute number of hired workers has decreased substantially. The trend in increased mechanization and decreased number of hired workers is expected to continue for some time. Mechanization of tomato and cucumber harvest is likely to have more impact on hired farm workers than any other mechanization change. About one-third of the hired farm workers in Ohio are Chicanos. Most of these workers are involved in cucumber and tomato harvest.

Before 1968, practically all the processing tomatoes in Ohio were harvested by hand. In 1972, about 15 percent of the tomatoes were harvested mechanically. The percent of the tomato crop harvested mechanically is expected to increase rapidly during the next ten years.

Mechanical harvest of tomatoes reduces opportunities for employment of Chicanos. With hand harvest of tomatoes, the ratio of acres of tomatoes to workers is about 3.7 to 1. The mean period of employment for harvesting is about 7 weeks. With mechanical harvest, the ratio is 16 acres of tomatoes per worker with a mean employment period of about 3.5 weeks. Mechanical harvest does not eliminate the need for seasonal workers. About 15 workers are needed per machine to assure efficient operation. Practically all farms with mechanical harvesters continue to harvest some tomatoes and most cucumbers by hand. Therefore, the mechanical harvesters are reducing but not eliminating seasonal employment for harvest.

In addition to a reduction in number of workers, mechanization of tomato harvest brings about a change in the kind of workers hired. Local seasonal labor is rarely used for hand harvest, but is often used with machine harvest. In many cases, there is a combination of migrant and local seasonal labor utilized in conjunction with the mechanical harvester. In a 1971 study of hired farm employees working on mechanical tomato harvesters, McCoy found that 28 of the 31 farms studied had mechanical harvester crews made up of both migrant and local workers.[1/] The other three crews included only local workers. About half of the workers were migrants and 6.5 percent were members of the employer's family. The remainder were local housewives, school age children and farmers.

1/ David C. McCoy, "Analysis of the Labor Force Involved in the Mechanical Harvest of Ohio's Processing Tomatoes," Unpublished Honors Research Paper, Ohio State University, 1972.

It was shown in Chapter III that about 80 percent of the actual unemployment insurance beneficiaries from the farm work force would be Chicanos. An appreciable part of their covered employment would be in harvesting tomatoes in Ohio. Mechanical tomato harvest would tend to reduce the number of beneficiaries for two reasons. There would be fewer Chicanos employed in Ohio and those employed would have fewer weeks of work. Tomato producers who were liable employers under unemployment insurance would be able to minimize their contribution rates by increasing the employment of local school age workers and housewives, workers unlikely to become actual beneficiaries.

The reduction in migrant farm worker opportunities because of mechanical tomato harvest would in turn influence the production of other crops and thus further influence employment opportunities. Cucumbers are produced in the same part of the state as tomatoes. The cucumbers are typically harvested by Chicano migrant workers. The workers come to Ohio primarily for tomato harvest but are able to have a longer Ohio period of employment by harvesting cucumbers. For some employers, a major reason for producing cucumbers is to assure availability of workers for tomato harvest. Migrants are attracted to employers that have employment opportunities for both cucumber and tomato harvest. With the reduction of migrant employment in tomato harvest, there is likely to be an accompanied reduction in cucumber production further reducing the employment of migrants. Also, it is likely that mechanical cucumber harvest will become economically feasible for producers, thus reducing migrant employment opportunities independent of mechanized tomato harvest.

Increased complexity of agricultural production — Increased mechanization, larger farms, and a continuous flow of new technology will combine to increase the complexity of agricultural production.

This increased complexity will likely be accompanied by demand for more skilled hired farm workers. Finding the desired competency among seasonal workers will become increasingly difficult. This is likely to lead to increased relative importance of year-round farm workers. The regular farm workers are less likely than seasonal workers to have unwillful unemployment. Thus, over the longer run the need for higher quality workers could lead to a decrease in the percentage of workers becoming actual beneficiaries.

Agricultural Employer Adjustments to Unemployment Insurance

Unemployment insurance contributions would be an added cost of production for agricultural employers. They would react by making adjustments in their personnel practices to reduce this cost. The extent of their flexibility to affect the cost would depend on the particular characteristics of their business. Adjustments would be made basically in terms of reducing cost per unit of output to limit decreases in profits.

Personnel decisions would also be influenced by personal responsibility felt toward workers. On many farms, a sense of mutual respect and responsibility have grown out of years of employer-employee relationships. These long standing relationships would not likely change much as a result of unemployment insurance.

Likely employer adjustments include: (1) reduced use of hired labor, (2) decreased employment of seasonal labor, (3) increased employment of people not likely to qualify for unemployment insurance benefits, and (4) increased use of contract labor.

The total amount of hired labor could be reduced by increased mechanization, change to less labor intensive enterprises and laying off workers during slack periods. The trend toward mechanization, particularly in vegetable harvest, was discussed in the previous section. Unemployment insurance would become an additional motivation for mechanization as it would reduce the use of hired labor. Farmers might also change from such enterprises as tomatoes and cucumbers to corn and soybeans. Unemployment insurance is not likely to be a major factor in a farmer's decision to change enterprises but it could be a contributing factor.

Some agricultural employers would likely lay off workers during slack periods in productive work. On Ohio cash grain farms and farms with relatively little livestock, there is typically very little productive activity during the months of December, January, and February. Much of the activity of hired workers on farms of this type during this period is "make work" in nature. This is because the workers have normally been provided 12 months of employment independent of the actual distribution of productive work. This has prevented employers from losing high quality workers to other employers, particularly those with livestock enterprises who would have a more even monthly demand for hired workers. With unemployment insurance benefits as an alternative to an employer paying full wages for three months, he could lay off a worker with the understanding that the worker would receive unemployment insurance benefits and then return to employment when spring work was initiated.

It would be surprising if this were to become a common practice. Employers using this personnel practice would have the substantial risk of losing the worker to another employer willing to provide 12 months

employment rather than 9 months employment and 3 months of unemployment insurance benefits. To continue receiving unemployment insurance benefits, a worker would have to be willing to accept work similar to what he had before becoming unemployed. In many farming communities it would be unusual for a qualified farm worker to be unable to find employment, even during the winter months. An additional factor which would discourage employers from this practice would be the relatively high tax rates associated with regularly laying off workers and having them receive unemployment insurance benefits.

Reducing seasonal labor is the second likely employer adjustment to unemployment insurance. By decreasing the employment of seasonal labor and substituting year-round or regular workers, a farmer would be able to decrease his unemployment insurance contribution rate. This is particularly true when the seasonal workers have sufficient covered employment during the base period to qualify for benefits. Many agricultural employers with only regular workers could reasonably expect to have a contribution rate near zero as they would never or very seldomly lay off a worker.

Employing school age workers and local housewives is another means by which an agricultural employer could minimize his contribution rate. Such workers seldom qualify for unemployment insurance benefits and therefore the employer could minimize the benefits charged against his account. More generally speaking, identifying employee applicants with little possibility of benefit qualification could become a common personnel practice.

Finally, employers are likely to increase their use of contract labor. A farm operator contracting for labor service through a labor contractor assumes no employer responsibilities. The crew chief or labor contractor

is the employer. In Ohio, this arrangement is used for custom operation services such as painting buildings, farm building construction, and service of specialized equipment such as spraying and dusting. The most common form however is with worker crews consisting of migrant farm workers from Texas or Florida. These crews almost always consist of all Chicano or all Black workers. The crew leader is typically a resident of Florida or Texas, a Chicano and a former migrant farm worker. He assembles a group of workers and provides transportation to Ohio with the promise of work in Ohio harvesting vegetables or fruit.

Some migrants may prefer to be part of a crew rather than migrate as an individual or just his family. Crew leaders are often able to provide more employment than the individual worker is able to find moving from one state to another having only his own contacts for finding employment.

The crew leader contacts farmers offering to contract the entire crew. The Ohio farmer may find this attractive because he has minimized his recruitment and supervision problems. But more importantly to the employer, he would not be an employer for unemployment insurance purposes. The crew leader is the employer and must make any unemployment insurance contributions.

CHAPTER VI

Identification And Analysis Of Pro and Con Arguments For Unemployment Insurance Coverage Of Agricultural Employment

This chapter is concerned with pro and con arguments which have been commonly used in discussion by legislators, lobbyists, agricultural leaders and others involved in consideration of unemployment insurance coverage of agricultural employment. Many of these points are likely to be made in future discussion of this issue. The chapter is based on data from the surveys of this study, analysis of earlier parts of this and previous reports of this study, other unemployment insurance studies, Congressional testimony and a general understanding of the functioning of the unemployment insurance system.

Both the classification of a particular point as a pro or con argument for extension of unemployment coverage and the specifics of the argument may be controversial. Any pro or con argument may be approached from various vantage points. Worker interests and employer interests are likely to be in conflict. Those concerned with unemployment program administration may have still another orientation to any particular point. Non-agricultural employers and workers may also be concerned with agricultural coverage because of the implications for their own costs. In the discussion which follows, the viewpoints of various groups are recognized and brought to bear on the arguments.

Arguments For Unemployment Insurance Coverage of Agricultural Employment

1. Agricultural and non-agricultural workers should be treated alike under unemployment insurance legislation.

This pro argument centers on an apparent double standard concerning workers covered by unemployment insurance. About 63 million jobs in the United States are now covered by unemployment insurance. There is much diversity among these 63 million jobs. Many jobs similar to agricultural jobs are already covered. Regular to highly seasonal jobs are included. Low income to relatively high income jobs are included. Employers using very little hired labor to the largest employers in the country are included. Farm workers and domestic workers are the only major groups of workers not covered by unemployment insurance.

Concern which is expressed relative to the current functioning of the unemployment insurance system does not concentrate on whether or not there should be an unemployment insurance system. Rather, the expressed concern from various employer, worker and administrator groups relates to details of the system as it is operating under current legislation. There has been extensive discussion of tax rates, employer merit rating, benefit amounts, dependent provisions, Unemployment Insurance Trust Fund levels, worker eligibility for benefits, acceptable alternative jobs and other questions similar to these examples. None of these issues are unique to agricultural employment or any of the other jobs covered by unemployment insurance and therefore are not specific arguments against agricultural coverage.

As has been stated earlier in this report, the major concern of the unemployment insurance program is people attached to the labor force who have become unwillfully unemployed. The seasonal nature of most agricultural employment and relatively low earnings make farm workers particularly subject to economic hardships associated with unemployment. Unemployed agricultural workers face these hardships with little basis for self-resolution of their situation, at least in the short run.

Consequently, given the major objective of the existing unemployment insurance program and the characteristics of many agricultural jobs, the pro argument for treating agricultural and non-agricultural workers similarly seems straightforward.

2. Unemployment insurance would assist agricultural employers in recruiting better farm workers and it would generally make worker recruitment easier.

Among the many factors which affect the success of a group of employers in attracting workers, two are influenced by unemployment insurance. They are likelihood of unemployment and status of the employment. Jobs with which unemployment is normally associated are generally not considered desirable by persons with a permanent attachment to the labor force. This has been one of the problems in attracting workers to agricultural employment. This is a particularly serious problem with an industry needing to improve the quality of its workers. Unemployment insurance coverage, it is argued, would reduce some of the employment uncertainty as there would be some economic maintenance protection during periods of unemployment.

Related to the recruitment difficulties caused by the relatively high risk of unemployment is the generally low status of hired farm work. Part of the low status of farm employment may be attributed to the fact that farm workers historically were excluded from unemployment insurance and other social insurance programs. Although such programs as social security, workmen's compensation and minimum wage protection have now been extended to some farm workers, the impression has remained that farm workers are not included in most programs of which non-agricultural workers have long been a part. Thus, extending unemployment insurance to agricultural workers would likely increase the status of the farm employment.

In evaluation of this pro argument, several points may be raised which question the validity of the argument. The low wages paid agricultural workers, general reputation of agricultural employers as not particularly good labor supervisers (although there are many excellent labor supervisors and personnel managers on farms), and the perceived lack of longer term opportunities for advancement in farm employment are probably more important reasons for the recruitment difficulties than lack of unemployment insurance. As reported in Chapter III, less than 50 percent of the workers felt that unemployment insurance would increase the desirability of their farm job. Some agricultural employers would be very positive toward unemployment insurance and would use it as an effective recruitment device. However, many employers are likely to see it as an added cost and of little benefit to their workers. This is particularly true of those recruiting regular year-round workers where the probability of unemployment is nearly zero. It is for these year round positions with considerable responsibility and needed technical competency that worker recruitment problems are most acute.

3. Unemployment insurance coverage of agricultural employment would reduce welfare claims and use of other public assistance programs by unemployed farm workers.

Some unemployed agricultural workers are receiving economic assistance through welfare, food stamp and surplus food programs. Compared to White farm workers, a higher percentage of the Chicano workers receive such aid (Table 3.25). Unemployment insurance benefits would reduce participation in some of these programs. However, public assistance was not a major source of financial support during "no work" periods for the workers in this study (Table 6.1). Earnings of other family members

Table 6.1

Percentage Distribution of Sources of Financial Support During Time Not Working, Workers 16 Years or Older, Ohio, 1970

Source or Combination of Sources	Percent of Cases in Which Source or Combination of Sources Was Mentioned
Savings	20.2
Public assistance	1.3
Gifts	0.6
Earnings of other family members	58.2
Savings and public assistance	1.0
Savings and earnings of other family members	11.9
Public assistance and earnings of other family members	0.5
Other sources and other combinations of sources	1.9

and savings were the most important sources of support. Many workers were in school or keeping house when not engaged in farm work. Therefore, unemployment insurance would have little effect on the participation of these people in public assistance programs. Many of these people would not qualify for unemployment insurance benefits and would continue to depend primarily on earnings of other family members for support when not working.

Some selected characteristics of those having received welfare payments and food stamps during the year preceeding the interview date are shown in Table 6.2. More than three-quarters of the welfare and food stamp recipients were Chicanos. A majority of the recipients were less than 31 years old. Only one-third of the welfare recipients were married. More than half of the welfare recipients also received food stamps. Of all workers 16 years and older, 3.0 percent were both food stamp and welfare recipients and 78.7 received neither. The mean total earnings of welfare recipients was 72 percent that of food stamp recipients. Both groups had relatively low earnings. Both groups had about four-fifths of their earnings through agricultural employment.

4. Unemployment insurance coverage of agricultural employment would allow workers to combine agricultural and non-agricultural employment to qualify for benefits.

Some farm workers combine farm and non-farm work. Often this non-farm work is covered by unemployment insurance. With farm work not being covered, most farm workers did not qualify for benefits even if they had some non-farm employment. Only 11.4 percent of the workers 16 years and older in this study had ever received unemployment insurance benefits. Twenty-one percent of the farm workers had some

Table 6.2

Selected Characteristics of Hired Farm Workers
Receiving Welfare and Food Stamps, Ohio, 1969-1970

Item	Welfare Recipients	Food Stamp Recipients
Number of workers	1,349	4,535
Percent of all workers 16 or older	5.6%	18.7%
Percent Male	58.0%	64.7%
Percent Chicano	78.5%	75.1%
Age distribution		
21 or less	33.9%	42.6%
22 to 30	41.5%	22.9%
31 to 45	17.5%	18.4%
46 to 60	5.4%	12.1%
61 to 87	1.7%	4.0%
Percent married	33.0%	51.7%
Percent who ever received UI	5.4%	5.0%
Percent who received food stamps	53.9%	100.0%
Percent who received welfare	100.0%	16.0%
Mean total earnings	$1,388.96	$1,927.92
Agricultural earnings as percent of total earnings	79.6%	82.8%

non-agricultural employment during the survey year. If agricultural employment were covered, a considerably higher percentage of the workers with both farm and non-farm work would qualify for benefits. This should be a motivation for workers to seek additional farm employment to add to their non-farm employment or vice versa, thus increasing the probability of qualifying for benefits. However, employers may be discouraged from hiring such people for seasonal work if they know that a few weeks additional work will qualify the workers for unemployment insurance benefits.

5. Unemployment insurance coverage of agricultural employment would stimulate regularity of farm employment.

The merit rating of employers is a stimulus to employ workers who are not likely to become unemployment insurance beneficiaries. An employer's rate of contribution to the Unemployment Insurance Trust Fund is in part dependent upon the extent to which his former employees have qualified for and drawn benefits. An employer may react to this situation by reduction of seasonal employment. However, the employer is also stimulated to increase use of seasonal workers who will not qualify for benefits because of insufficient number of weeks of employment. In agriculture, such workers are likely to be school age youth, women who spend most of the year as homemakers, elderly workers and wives and children of migrant farm workers.

Employers may see an additional advantage in unemployment insurance which is contrary to stimulation of employment regularity. As discussed in the previous chapter, cash grain farmers are faced with a seasonal demand for labor but often employ a worker 12 months of the year to prevent his seeking year-round employment with another employer. With

unemployment insurance, some of these workers might be laid off during winter months. However, for reasons discussed in the previous chapter, this would not likely become a common practice.

Arguments Against Unemployment Insurance Coverage of Agricultural Employment

1. The added cost to agricultural employers of unemployment insurance contributions would be prohibitive.

This argument centers on the increased cost to agricultural employers of the contributions which would be made to the Unemployment Insurance Trust Fund. It is virtually impossible in the short run for agricultural employers to pass on increased costs through increased product prices. This is due to the relatively competitive market in which most agriculture products are sold. In Chapter II summary data were presented which illustrate the estimated first year unemployment insurance contributions. These contributions are based on a 3 percent tax rate which applies to all non-experienced rated employers. It was estimated that the first year contributions by Ohio employers would be $1.2 million under an employer coverage criteria of at least 4 workers for at least 20 weeks. With this provision, 885 farms would be included. The average total payroll of these farms was $40,678 in 1969. Their average estimated first year contribution would be $1,356 per farm. Extending coverage to more farms would decrease these averages considerably. For example, if the coverage provision were the same for agricultural employers as it is for non-agricultural employers, 6,173 farms would be included. The average total payroll of these farms was $9,671 in 1969 and the first year mean contribution to unemployment insurance would be $308 per farm.

Relating estimated unemployment insurance contributions to other farm expense and income data provides additional understanding of the cost implications of agricultural coverage.

Annual farm business summary reports for major types of farms are available through the Ohio Cooperative Extension Service. Receipt, expense and income data from these summaries are used here to illustrate the relationship between the likely contributions for covered employers and their labor and other production expenses. Summary data are available for 200 dairy farms, 12 swine farms, and 12 crop farms. Unfortunately, similar data are not available for other farm types. These farms are voluntary participants in a farm business analysis project. They kept detailed receipts and cost data during 1971 and submitted their farm records to the Cooperative Extension Service for summary and analysis. The farms were grouped by family labor and management income per hour of labor used. The data reported here are for the middle 50% of the farms ranked in this manner. The farms participating in this program are probably better than average but commonly do not include the extremely large farms in the state.

As shown in Table 6.3, hired labor accounted for a relatively small percentage of the total cash expenses of these three farm types. Among the three types, hired labor was most important on dairy farms accounting for approximately 18% of the total value of labor used on the farm. This total value of labor includes farm operator, wife, family labor, and hired labor. All of the hired labor cash expense was assumed taxable for unemployment insurance purposes, i.e., it was assumed that no single worker would be paid more than $4,200. The estimated first year unemployment insurance contributions are calculated assuming a 3% new employer rate plus .5% contribution to the Unemployment Insurance Mutual Fund.

Table 6.3

Summary Receipt, Expense and Income Data, Ohio Farm Business Analysis Project Farms, By Farm Type, 1971

Item	Farm Type			
	Dairy		Swine	Crop
	(Middle 50%)	(Upper 25%)	(Middle 50%)	(Middle 50%)
Number of farms	100	50	6	
Total cash receipts	$41,013	$64,170	$32,584	$46,878
Total cash expenses	$27,376	$39,792	$24,705	$30,459
Net farm income	$14,343	$28,509	$8,004	$12,399
Hired labor cash expense	$2,368	$5,053	$1,514	$1,104
Hired labor as percent of total cash expenses	8.6%	12.7%	6.1%	3.6%
Hours of hired labor	1,487	2,447	591	644
Value of hired labor as percent of value of total labor	17.9%	30.7%	14.4%	10.7%
Estimated first-year UI contribution	$83	$177	$53	$39
First year contribution as percent of total cash expenses	0.3%	0.4%	0.2%	0.1%
First year contribution as percent of net farm income	0.6%	0.6%	0.7%	0.3%

Source: 1971 Farm Business Analysis Reports - Dairy, Swine and General Crop Summaries, Department of Agricultural Economics and Rural Sociology, Cooperative Extension Service, Ohio State University, 1972.

For these farms, the first year contributions would not have appreciably influenced their total cash expenses having accounted for 0.3% or less of the total cash expenses. In following years with employer merit rating, most of the dairy farms and some of the swine and crop farms would have a tax rate considerably less than the 3.5 estimated first year rate.

On more labor intensive farms, the unemployment insurance contributions would be a higher percentage of the total cash expenses than on the dairy, swine and crop farms of Table 6.3. As shown in Chapter IV, the mean total wages paid out by vegetable and miscellaneous farms which includes nurseries is considerably higher than the means for the dairy, livestock and cash crop farms. These farms with the higher levels of total wages paid out also tend to hire seasonal workers which are more likely to qualify for unemployment insurance benefits. Thus, the contribution rates for these farms would be relatively high, in many cases probably higher than the 3.5 percent new employer contribution rate assumed for the cost estimates of this study.

It is the larger farms which would also have more flexibility in controlling their unemployment insurance contributions. They would probably be induced by unemployment insurance to reduce use of hired labor, switch to more contract labor, reduce seasonal employment of labor and change the "mix" of people hired to reduce the percentage of workers qualifying for unemployment insurance benefits.

Generally speaking, the larger farms are more profitable operations and thus more likely to be able to absorb the additional cost of labor due to unemployment insurance benefits. This is not synonomous with saying that they are generally large corporate businesses with most of their profits coming from non-agricultural operations. The cost

problem can not be argued away simply by saying that farms covered would be large agri-business firms which would not notice the small additional cost of unemployment insurance. As shown in Chapter IV, only about 7 percent of the farms were organized as corporations. Furthermore, many of these corporations were family operations. Only 0.4 percent of the employers were corporations with more than ten stockholders.

2. There would be much abuse of the unemployment insurance program further increasing employers' costs.

Among people not familiar with the functioning of the unemployment insurance system, there is a rather common impression of wide-spread abuse, especially through fraudulent claims. People "using the system" for their own benefits, violating the spirit, if not the word of the law, is presumed to be common. It is sometimes argued that the most knowledgeable people concerning unemployment insurance laws are to be found among those who have often received unemployment benefits.

Lanphier and Portis, in a study of Canadian public opinion toward unemployment insurance, found that most Canadians believed the unemployment insurance program was frequently abused. Nearly half of the study respondents felt that the system was abused by beneficiary not bothering to find suitable employment. More than one-fourth of the respondents thought that people have jobs, but say they are unemployed to draw unemployment insurance benefits. Thirteen percent of the respondents believed that employers abuse the system by giving incorrect information about why their employees have been laid off. In total, more than 80 percent of those interviewed mentioned one or more abuses of the system.[1/]

1/ See Michael Lanphier and Bernard Portis, "Analysis of Attitudes Toward Unemployment Insurance," Institute for Behavioral Research, York University, 1968.

The question of fraudulent claims and misuse of funds is a potential issue with many public programs. Welfare, workmen's compensation, and unemployment insurance programs all face problems of fraudulent claims. However, welfare recipients are typically quite different from workmen's compensation and unemployment insurance beneficiaries. With the latter two programs, the recipients are attached to the labor force, while welfare recipients normally are not. Therefore, even though research concerning fraudulent welfare claims has typically shown that such claims are relatively uncommon, this evidence is not particularly helpful in assessing the probability of fraudulent unemployment insurance claims.

Fraudulent workmen's compensation program claims are particularly difficult to identify and substantiate because of the medical nature of claims. Varying medical opinions relative to industrial accidents and illness may be very difficult to resolve.

Some research has been done concerning abuse and fraudulent claims within the unemployment insurance system. Although there is no specific basis from which to draw conclusions concerning likely abuse with agricultural employment coverage, the research concerned with non-agricultural coverage should be helpful as a preliminary assessment of the likelihood of abuse among agricultural employers and workers.

In the early 1950's Joseph Becker conducted a comprehensive study of abuse in unemployment benefits. He found more abuse than "friends of the system" had been willing to concede and less abuse than opponents of the system and its administration had thought to exist. However, his conclusions were only general and tentative, particularly as they related to amount of abuse and desirability of modifications in the law intended to reduce abuse. He found that violators were not spread uniformly

through the claimant population. He concluded that this lack of uniformity helped dispel the suspicion that the whole system is bad.[1/]

Papier, in a 1963 Ohio study, found that the nature and extent of benefit fraud clearly varies with statutory changes, the ease or difficulty of establishing intent to defraud, the volume and characteristics of claimants, the number and quality of Bureau of Employment Services personnel, funds available for fraud control, the severity or laxity of administration, the extent of employer and other policing, and the penalties or lack thereof imposed by the courts and the ensuing publicity. Analysis of Ohio's data showed that men were more prone to commit benefit fraud than women. Non-white claimants were more likely to become involved in benefit fraud than white claimants. Benefit fraud was most prevalent among non-white men in relatively large metropolitan areas. White women from relatively small population centers were least likely to be charged with fraud.[2/]

Other research by Papier has shown that the incidence of fraud is greatest among service workers and unskilled workers. For the period 1962 to 1965, he found that 1.0 percent of the beneficiaries receiving a first payment were charged with fraud. However, 1.4 percent of the service workers and 1.2 percent of the unskilled workers were charged. Only 0.5 percent of professional, managerial, clerical and sales personnel were charged.[3/]

1/ Joseph M. Becker, "The Problem of Abuse in Unemployment Benefits," Columbia University Press, New York, 1953.

2/ William Papier, "Unemployment Benefit Fraud in Ohio," Division of Research and Statistics, Bureau of Unemployment Compensation, Columbus, Ohio, 1963.

3/ William Papier, "Benefit Fraud in Ohio, by Sex and Skill, 1962-1965," Research Memo #46, Ohio Bureau of Unemployment Compensation, Columbus, Ohio, 1967.

For the period, 1939 to 1971, 101,429 suspected cases of benefit fraud were identified from a total of 6,692,669 first benefit payments in Ohio. No fraud was established in approximately 45 percent of these cases. The amount of fraud established for the period 1939 to 1971 averaged $.29 per $100 of net benefits paid.[1/]

No definitive conclusions can be drawn from these studies and similar studies relative to the likely abuses of unemployment insurance coverage of agricultural employment. It is clear that fraud does occur. Some fraud goes undetected, although it is generally concluded that the undetected fraud is less than that which is known. In that agricultural workers tend to be lower skilled than the rest of the labor force, they would likely have a relatively high fraudulent rate. In the early years of coverage of agricultural employment, there would also be some abuse through ignorance of the provisions and requirements under the law. However, there is no evidence from these studies to generally discredit the unemployment insurance system because of abuses or argue against agricultural coverage on the basis of an expected high rate of abuse and fraudulent claims.

3. Most agricultural employers do not have, and could not have at a reasonable cost, the detailed records necessary for employers covered by unemployment insurance.

Employers subject to unemployment insurance contributions must have personnel and payroll records on which to base information provided the state agency administering the unemployment insurance program. Employers have certain general responsibilities under the law. Covered employers are required on a continuing basis to: " (1) keep employees informed as

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1/ Unpublished data from the Division of Research and Statistics, Ohio Bureau of Employment Services, Columbus, Ohio.

to their 'covered' status, (2) furnish identification notices to employees upon separation, (3) maintain a 5-year record of employment and (4) supply wage separation or other pertinent information to the Bureau of Employment Services upon request when former employees apply for benefits."[1/]

The employment record is the major recordkeeping requirement. The Ohio Bureau of Employment Services provision concerning the employment record is as follows:

"True and accurate permanent employment and payroll records shall be maintained by every employer who has in his employ one or more employees. Such records shall show with reference to each and every individual in employment, the following: (a) name and address; (b) social security number; (c) the amount of gross earnings for each pay period before deductions for any purpose; (d) the date of payment and the amount of wages paid with respect to each separate pay period; (e) the date or dates on which services were performed for such employer; also the dates hired or rehired or returned to work after temporary layoff, as well as the date on which services were terminated and the cause of such termination; (f) the time lost due to being unavailable for work; (g) the character of the services performed by him; (h) a division between covered and excluded employment, when both such services appear in the same pay period; (i) the cash value of any remuneration in lieu of or in addition to cash wages. Payroll and employment records shall be made available for audit at the employer's place of business during regular daytime business hours. On discontinuance of the business or

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1/ "Job Opportunities Thru the Ohio Bureau of Employment Services and How The Ohio Unemployment Compensation Law Works," Bureau of Employment Services, State of Ohio, Columbus, 1969, page 47.

or any part thereof, the employer shall notify the Administrator as to where the records are to be kept."[1/]

The recordkeeping argument is based on the presumption that agricultural employers do not have the administrative capacity necessary for unemployment insurance coverage. Historically, this argument had basis in that farmers tended to have relatively poor recordkeeping systems, little experience with record requirements of programs such as social security, Fair Labor Standards Act and Workmen's Compensation. Also, they often paid their workers in cash with only limited records concerning these cash payments.

In recent years, the recordkeeping situation on farms has improved considerably as a result of increasing size of farm businesses, more sophisticated approaches to farm management and advances in recordkeeping assistance for farmers, including computer assisted record analysis. A major reason for improved personnel and payroll records on farms is the requirements of various programs and laws now covering agricultural employers. Unemployment insurance recordkeeping requirements would be similar to those already in existence. The Internal Revenue Service requires every farm business to have a record system on which to base tax returns. All agricultural employers covered by unemployment insurance are already required to complete employment reports for the Social Security Administration. Many employers would also be covered by the Fair Labor Standards Act, workmen's compensation at the state level and the Williams-Steiger Occupational Safety and Health Act. Agricultural employers are satisfying the record requirements of these programs and laws with no particular problems.

1/ Op.Cit., page 47.

Despite the apparent feasibility of agricultural employers keeping the necessary records, the records would represent an additional cost to agricultural employers. They would be dealing with a different governmental agency. Some modifications in their recordkeeping systems would be necessary. Employers of seasonal labor and those with a high worker turnover rate would likely incur substantial additional record-keeping costs. Employers with relatively few workers would likely have the most difficulty with record requirements. Their existing record-keeping systems are more likely to be inadequate for unemployment insurance purposes, they do not employ bookkeepers and their infrequent use of some of the forms would complicate their keeping informed on required procedures. The Occupational Safety and Health Administration has evidently encountered some recordkeeping problems with small employers. After the Williams-Steiger Occupational Safety and Health Act had been in force for about one year, the recordkeeping and reporting requirements for employers with fewer than 8 employees were considerably reduced.

4. The agricultural industry would be subsidized by non-agricultural employers contributing to the Unemployment Insurance Trust Fund.

This argument against coverage of agricultural employment is related to the first argument concerned with cost to individual employers. This argument is concerned with the likely impact on the overall system and thus on non-agricultural employers. Agriculture has generally been characterized as an industry in which benefits paid would be a relatively high percentage of taxable earnings. This was thought to be the case because of the seasonal nature of agricultural employment. All states have a maximum contribution rate for employers regardless of the benefits

drawn by their former employees. It was common to argue that collections would not be sufficient to cover the benefit payments to agricultural workers resulting in subsidization of agricultural employers by non-agricultural employers. Of course, this was reason for several non-agricultural groups to oppose coverage of agricultural employment under the typical provisions applying to employers already covered. Even some strong proponents of unemployment insurance opposed agricultural coverage pending development of an equitable scheme for its financing.

Data are available through this study for a wide range of employer coverage alternatives. It appears that the financing problem is considerably less serious than had been argued in previous consideration of agricultural coverage. The cost rates for agricultural coverage would not be higher than for some other industries already covered. Furthermore in Ohio agricultural employers would constitute a very small percentage of the total number of employers in the unemployment insurance system. (For more detail, see the last part of Chapter II.)

5. The alternative of drawing unemployment insurance benefits would be a disincentive to work and an encouragement of seasonal employment.

Promoting regularity of employment is one of the stated objectives of unemployment insurance. This argument suggests that unemployment insurance would have quite the opposite effect. The argument is based on the presumption that actual beneficiaries would have no reason to want to work if they could continue receiving benefits. Furthermore, it is argued that it would be to their advantage to work just long enough to qualify for unemployment insurance benefits. This, of course, would contribute to seasonal employment in agriculture.

Several factors can be identified which suggest that the disincentive problems would not be serious. Unemployment insurance benefits are typically no more than 50 percent of the average weekly earnings during the period of employment in the base year. The benefits are for a limited period of time. The maximum duration of benefits is usually 26 weeks. It was estimated in this study that the average duration of benefits for agricultural workers would be 13 weeks. A beneficiary must accept employment if it is like or similar to his normal job. Typically, an experienced farm worker has little difficulty finding employment "in season". Farm workers would often have difficulty finding employment outside the normal seasons for farm work unless they were in an area where regular hired farm positions were available. Migrant farm workers returning to Texas or Florida from Ohio would likely have some periods in which they would be unable to find any agricultural employment.

A final consideration is that an appreciable percentage of the seasonal farm workers would not have sufficient weeks of employment in the base period to qualify for benefits. Forty-two percent of the intrastate workers and 22 percent of the interstate farm workers were non-beneficiaries, i.e., they were not potential beneficiaries. Thus, unemployment insurance coverage would not motivate these people to work less because they would not have qualified for benefits. In fact, they might have been motivated to seek additional weeks of covered employment so that they would qualify for benefits.

6. Unemployment insurance coverage would decrease employment opportunities for interstate or migrant farm workers.

As discussed in Chapter V, one of the reactions of agricultural employers to unemployment insurance would likely be decreased employment

of interstate workers. It was shown in Chapter III that a relatively high percentage of the actual beneficiaries would be interstate workers. Practically all of these workers are Chicanos. Additionally, about 70 percent of the intrastate workers becoming actual beneficiaries were Chicanos. Thus, the Chicano ethnic group would benefit substantially from unemployment insurance. This very fact is one of the strong arguments for coverage of agricultural employment because of the widely recognized employment uncertainty, low income and other social and economic problems of this group. But, decreased employment opportunities in agriculture could be a serious problem for the Chicanos as they tend to have limited non-agricultural employment opportunities. Unemployment insurance coverage would be meaningless to those not able to find any covered employment or sufficient employment to qualify for benefits. Clearly, unemployment insurance coverage would have only a limited role in the more general and serious problems of limited employment opportunities for Chicanos.

CHAPTER VII

Summary and Conclusions

The federal-state unemployment insurance system has generally not included coverage of agricultural employment. However, in 1970, the U.S. Congress committed itself to careful consideration of such coverage. This report is part of a 15 state comprehensive study that grew out of this Congressional commitment. This report is the second of a two-report series concerned with unemployment insurance coverage of agricultural employment in Ohio. The first Ohio report was concerned primarily with coverage, benefits, and costs -- the financial and coverage issues involved in bringing a new group of employers and workers into the unemployment insurance system [1/] In contrast, the present report is concerned with a series of questions likely to be raised separate from the financial and coverage considerations.

More specifically, this report is concerned with: (1) characteristics of workers likely to be influenced by unemployment insurance if it were extended to agricultural employment, (2) characteristics of employers likely to be influenced and variations among employers, (3) major changes in Ohio agriculture which would have unemployment insurance implications, (4) changes in employer personnel practices as a result of unemployment insurance coverage, and (5) an identification and analysis of the various arguments, pro and con, which have generally been used in unemployment insurance discussions relative to agricultural employment coverage.

1/ Bernard L. Erven, "Extension of Unemployment Insurance to Agriculture in Ohio--Coverage, Benefits, and Costs," Research Bulletin, Ohio Agricultural Research and Development Center, Wooster, Ohio, December, 1972.

The Unemployment Insurance System is a Federal-State program administered through state agencies and the United States Department of Labor. Covered employers are taxed, contributing to a state unemployment insurance fund for eligible unemployed workers. In Ohio a covered employer is one who employed one or more workers in 20 or more weeks during the current or preceding calendar year or who paid $1,500 or more in wages during any calendar quarter in either the current or preceding calendar year. The rate an employer pays depends on his individual experience (merit rating). The 1972 tax rates ranged from .2 percent to 3.8 percent.

Workers unwillfully unemployed receive weekly benefits. To qualify under the current law, a worker must have received $20 or more in wages in each of 20 or more weeks during the previous 12 months. How much an unemployed worker receives depends on the weeks of employment during the past year, his average weekly wage, and number of legally defined dependents. Benefits range from $10 to $87 per week. To receive the maximum weekly benefit, a worker must have four dependents or more and an average wage of over $156 per week. Benefits are normally received for 20 to 26 weeks depending on weeks of work during the previous year. To get benefits for 26 weeks, the worker must have been employed in 32 of the previous 52 weeks.

Data collection for this study involved an employer phase and a worker phase. Questionnaires were mailed to a stratified sample of 1,315 Ohio agricultural employers. The population of employers for sampling was all Ohio agricultural employers reporting to the Social Security Administration in 1968 who were in business in 1969, plus some additions from other sources to assure inclusion of all large employers. About 84 percent (1,102) of the 1,315 employers responded.

To coincide with peak periods of employment, worker interviews (1,622) were conducted from July to October, 1970. The workers were randomly selected from a subsample of agricultural employers of the first phase of the study.

Population estimates were made from the employer and worker data through direct expansion methods. Allowances were made for the various sampling rates of each stratum, response rates of employers, sampling rate of employers for worker interviews, and number of employers refusing worker interviews, the total number of workers employed, and the number of usable worker schedules from each employer.

Much of the support for extension of unemployment insurance coverage to agricultural employment has grown out of concern for the economic and social situation of hired farm workers. Demographic characteristics, employment status, intrastate and interstate worker comparisons, earnings, beneficiary analysis, and unemployment insurance experience and participation data are presented in Chapter III. The data are for an estimated hired farm worker population in Ohio of 29,492.

Minority groups were an important part of the Ohio hired farm working force. About 29 percent of the workers were female, 34.2 percent were Chicanos, 34.3 percent were less than 18 years old and 5.8 percent were over 60 years old. There were substantially more White males than White females but nearly as many Chicano females as Chicano males.

Farm workers were found to have relatively low levels of education. Only 21.5 percent of the workers had 12 or more years of education. This is in part due to an appreciable part of the hired farm work force being less than 18 years old. However, only 35 percent of the workers ages 18 through 30 had 12 or more years of education.

There was considerable variation among the workers in birthplace, address at time of interview and permanent address. Less than half of the workers were born in Ohio. More than 30 percent were born in either Texas or Mexico. Workers were concentrated in the northern and western parts of Ohio at time of interview. Almost all of the White ethnic group workers gave an Ohio permanent address. However, only about 12 percent of the Chicanos considered Ohio as their permanent address.

Workers were found to have considerable time not in the farm work force during the survey year -- the 52 week period extending from July 1969 to June 1970. May through September were the relatively high months of farm employment. Generally speaking, shifts between farm work and non-farm work were relatively unimportant in accounting for variation in the monthly percentage of worker weeks in farm work. Rather, shifts from "work" to "no work" statuses were the rule. Non-farm work was a relatively constant percentage of the worker weeks throughout the year with the exception of June, the final week of the survey year. The workers spent about two-fifths of their weeks either unemployed or out of the labor force. Attending school accounted for more of the workers' time than any other single "work" or "no work" category with the exception of the farm work for wages category. During June, 58.1 percent of the workers ages 6 through 17 were in farm work. But during the month of December, 70.4 percent of this group were in school and only 17 percent were in farm work.

Only slightly more than half the workers were in the labor force the entire year. For unemployment insurance considerations, there is an important distinction between shifts from employment to unemployment and shifts from employment to separation from the labor force. Unemployment insurance has little influence on the economic hardships which may be associated with workers leaving the work force. For a worker to receive

unemployment insurance benefits, he must be looking for and willing to accept another job. Thus, unemployment insurance will affect only those unwillfully employed who are still in the labor force.

About 65 percent of the 29,492 workers had only intrastate hired work. Practically all interstate workers were Chicanos. However, 17 percent of the intrastate workers were Chicanos. Most of these did not spend year-round in Ohio but had employment only in Ohio.

There was much variation in annual earnings of the workers. This reflects variation in weeks of work, length of work week, age of workers and kind of work in agricultural employment. More than one-fourth of the intrastate workers earned less than $500 during the survey year. However, nearly one-fifth earned $5,000 or more. In contrast, less than 5 percent of the interstate workers earned less than $500. But, only slightly more than 5 percent earned $5,000 or more during the year. About one-fourth of the interstate workers earned from $1,500 to $1,999.

About three-fifths of the workers were potential beneficiaries and two-fifths were non-beneficiaries. About 36 percent of the potential beneficiaries became actual beneficiaries. The actual beneficiaries earned less per week and worked considerably fewer weeks than the potential beneficiaries.

The average actual duration of benefits was approximately one-half the potential duration. The average weekly benefit amount of actual beneficiaries was approximately 54 percent of the average weekly earnings while working.

There were some important differences between interstate and intrastate workers who were actual beneficiaries. About two-thirds of the interstate potential beneficiaries became actual beneficiaries as compared to one-fifth of the intrastate workers. Four of five actual beneficiaries

were Chicanos although only 34 percent of all workers were Chicanos. About 6 percent of the White workers were actual beneficiaries as compared to 41.7 percent of the Chicano workers. Clearly, the unemployed among the Chicano sub-group of farm workers would benefit a great deal from unemployment insurance coverage of agricultural employment. A much smaller percentage of White workers would be directly influenced by the coverage.

In Chapter IV, 1969 payroll and employment data are presented. The data are for firms with agricultural production in Ohio during 1969 employing some hired farm labor.

Livestock and dairy farms were the most common farm types. Farm employers tended to be concentrated in the northeastern and southwestern parts of the state. Nearly three-fourths of the farms were organized as individual or family proprietorships. Few of the farms were organized as corporations. There was considerable variation in value of sales among the farms. About half had sales of less than $30,000. However, 10 percent had sales of $100,000 or more.

Wages paid regular workers accounted for about one-third of the total wages for general farms and vegetable farms. For other farm types, wages paid regular workers accounted for 63 percent or more of the total wages.

Vegetable and general farms had the greatest monthly variation in number of workers. Farms with appreciable receipts from livestock enterprises had relatively constant levels of hired labor during the autumn, winter and spring months. However, even these farm types generally had some seasonal labor during the summer months. All farm types had their peak months during the period June to August. The possibilities of

workers moving from one farm type to another in Ohio seem limited to workers involved in corn detasseling and vegetable, tomato, cucumber and fruit harvest.

Chapter V is concerned with changes in Ohio agriculture and changes in employer personnel practices which have unemployment insurance implications. Increased mechanization and increased complexity of agricultural production are two changes expected in Ohio agriculture which will influence agricultural employment and in turn unemployment insurance.

The percent of the tomato crop harvested mechanically is expected to increase rapidly during the next ten years. This will reduce employment opportunities for Chicanos. In addition to a reduction in number of workers, the mechanization of tomato harvest is likely to bring about a change in the kind of workers hired. Tomato producers are likely to increase their employment of local school age workers and housewives. An appreciable part of the Chicanos' employment covered by unemployment insurance would be in tomato harvest. Thus, mechanization would decrease the percent of Chicanos becoming actual beneficiaries.

During the next five to ten years, the complexity of agricultural production will increase due to mechanization, larger farms, and a continuous flow of new technology. This increased complexity will likely be accompanied by demand for more skilled farm workers. The increased skill requirements are most likely to be found in year-round farm workers rather than seasonal workers. Such seasonal year-round workers are less likely to become unemployed and beneficiaries of unemployment insurance.

Unemployment insurance contributions would be an added cost of production for agricultural employers. This added cost would influence

their use of hired labor. They would react by making adjustments in their personnel practices to reduce the cost. Likely employer adjustments include: (1) reduced use of hired labor, (2) decreased employment of seasonal labor, (3) increased employment of people not likely to qualify for unemployment insurance benefits, and (4) increased use of contract labor.

Chapter VI is an identification and analysis of pro and con arguments for unemployment insurance coverage of agricultural employment. Legislators, lobbyists, agricultural leaders and others involved in consideration of this issue have commonly used some combination of these arguments. Many are likely to be used in future unemployment insurance discussions.

Following are the major arguments which have been used for coverage of agricultural employment:

1. Agricultural and non-agricultural workers should be treated alike under unemployment insurance legislation.

2. Unemployment insurance would assist agricultural employers in recruiting better farm workers and it would generally make worker recruitment easier.

3. Coverage would reduce welfare claims and use of other public assistance programs by unemployed farm workers.

4. Coverage would allow workers to combine agricultural and non-agricultural employment to qualify for benefits.

5. Coverage would stimulate regularity of farm employment.

The major arguments which have been used against coverage of agricultural employment are:

1. The added cost to agricultural employers of unemployment insurance contributions would be prohibitive.

2. There would be much abuse of the unemployment insurance program further increasing employers' costs.

3. Most agricultural employers do not have, and could not have at a reasonable cost, the detailed records necessary for employers covered by unemployment insurance.

4. The agricultural industry would be subsidized by non-agricultural employers contributing to the Unemployment Insurance Trust Fund.

5. The alternative of drawing unemployment insurance benefits would be a disincentive to work and an encouragement of seasonal employment.

6. Coverage would decrease employment opportunities for interstate or migrant farm workers.

Each of the pro and con arguments can be approached from different viewpoints. Essentially, the viewpoints represent either an employer or a worker orientation. To agricultural employers, unemployment insurance coverage is seen as an increased cost of hired labor which cannot be passed on through higher product prices. The positive influences on recruitment and increased regularity of employment are not sufficient reasons for most agricultural employers or employer oriented groups to favor extension of coverage to agricultural employment.

From the worker viewpoint, there has been an apparent double standard concerning workers covered by unemployment insurance. Farm workers and domestic workers are the only major groups not covered by unemployment insurance. In the case of farm workers, the continued exclusion does not seem justifiable on the basis of either the uniqueness of agricultural employment nor the characteristics of agricultural employers and their inability to bear the additional cost of the coverage. Agricultural employers now clearly have the administrative capability to comply with the recordkeeping requirements of the program. The data of this study do not support the contention that agricultural employment would be extensively subsidized by non-agricultural employers due to the ceilings on contribution rates.

Both the advantages and problems now associated with the unemployment insurance system would be generally applicable to agricultural employment. There would likely be some reduction of workers' receipt of welfare and food stamps. Regularity of employment should be increased. To be sure, there would be some abuse of the program by both workers and employers, but there is little reason to believe that abuse would be a serious problem with agricultural coverage as it is not with workers and employers already covered. There would be some disincentive to work but the motivation to increase income by working and the requirement that a beneficiary must accept suitable employment should minimize the disincentive. Employment opportunities for Chicanos are likely to decrease as a result of unemployment insurance. The compensating factor or trade off is the improved economic situation of workers who continue with a permanent attachment to the labor force but have unwillful unemployment.

In summary, the major objective of unemployment insurance is to provide economic assistance to workers who are temporarily unemployed through no fault of their own. Continued exclusion of agricultural employment from unemployment insurance coverage would be denying a group of workers the assistance of the program who need it as badly as any other group in the labor force. Discrimination against farm workers with a permanent attachment to the labor force, just because they are farm workers, no longer is justifiable.

GLOSSARY

Benefit year -- The 52-week period beginning with the first day of the week with respect to which an individual files a valid claim for benefits.

Base period -- The 52 consecutive calendar weeks immediately preceding the benefit year beginning date.

Covered employers -- All agricultural employers qualifying under any of the coverage provisions discussed.

Coverage provisions -- The coverage provisions are defined by either one or both of the following measures: (1) the minimum number of wage items an employer hires for a specified minimum number of weeks, (2) the highest quarterly payroll an employer pays to all his wage items per year.

Covered employment -- Work for an employer who is subject to the payment of unemployment insurance taxes on his payroll under the coverage provisions in force in his state.

Covered gross payroll -- The annual payroll a covered employer pays to his employees. Taxable payroll is that part of the gross payroll subject to unemployment insurance taxes.

Taxable wages or earnings -- The wages or earnings on which employer contributions to the trust fund are based. Effective January 1, 1972, taxable wages include a maximum of $4,200 remuneration paid each employee.

Wage item -- The employment of one worker for one employer during any part of a year. The same worker may be counted as more than one wage item. The same worker with two different employers during the year would be counted as two wage items. Thus, the wage item count is slightly higher than the actual number of workers. A covered wage item is a wage item employed by a covered employer.

Unemployment Insurance Trust Fund -- The fund from which benefits are paid to claimants. The main source of financing of the Fund is the contributions received from employers. The condition of the fund determines the schedule of contribution rates applicable each year for merit-rated employers.

Weekly benefit amount -- The weekly amount for which an unemployed individual qualifies.

Covered wages or earnings -- Wages or earnings of a worker or workers of a covered employer.

Compensible unemployment -- A week of compensible unemployment is a week in which a worker is involuntarily unemployed and is available for work on a job of the same or of a similar nature to that which he is usually employed. Voluntarily leaving a job without cause, discharge for misconduct connected with the work, and refusal of

suitable work are disqualifications. To receive benefits, a worker must not only be monetarily qualified; i.e., a potential beneficiary, but must have had one or more weeks of compensible unemployment.

Potential beneficiary -- Any person who meets the monetary requirement of the state unemployment insurance system in which he was interviewed for this study. In Ohio, this requirement is employment in 20 or more weeks of covered employment during the base period with earnings of $20 or more in each of the weeks. If the worker met the qualifications of the state in which he was interviewed, he was classified as a potential beneficiary regardless of whether or not he would have qualified under the laws of any other state in which he may have worked or have filed for benefits.

Actual beneficiary -- Any person who satisfies the monetary unemployment insurance benefit eligibility requirements and had one or more weeks of compensible unemployment.

Maximum potential benefits -- The maximum amount of benefits that any person may receive in a benefit year. For each individual worker, potential benefits are subject to a general maximum and to an individual maximum. The former, set by state law, is uniform within a state. The latter is dependent on the individual's work and earnings experience during his base period and may be less, but not more, than the general maximum.

Actual benefits -- The total actual benefits a worker would receive are equal to the weekly benefit amount times the number of weeks of compensible unemployment during the benefit year. They represent the amount of benefits that would have been received had unemployment insurance been in force for agricultural workers during the survey year.

Benefit exhaustee -- A person whose estimated actual benefit amount equalled his estimated potential benefit amount.

Cost rate or benefit cost ratio -- The industry cost rate or allocated cost rate is the proportion that benefits allocated to agricultural earnings are of taxable agricultural earnings. A second cost figure is an added cost rate which is the added cost to the unemployment insurance system of extending coverage to agricultural employment. It is total benefits based on all covered earnings minus the benefits based on non-farm covered earnings only. The difference, the amount added by extending coverage to agriculture, over taxable agricultural earnings, is the added cost rate.

Farm type -- Farm type is based on source of income from farm sales. This approach to farm type classification is the same as used in the 1969 Census of Agriculture. The general guideline for determination of farm type was that for a particular type, 50 percent or more of the total farm product sales must be from the corresponding product or group of products. For example, a cash grain farm is one in which 50 percent or more of the total value of all farm products sold during the year was from corn, sorghums, small grains, soybeans for beans, cowpeas for peas, dry field and seed

beans and peas. This procedure was used for cash grain, vegetable, fruit, poultry, dairy, and livestock farm types. General farms had cash income from three or more sources and did not meet the criteria for any other type. Miscellaneous farms included nursery and greenhouse products, horses, and various minor products such as fur-bearing animals. More detailed discussion of farm type determination may be found in Volume I, Area Reports, 1969 Census of Agriculture, U. S. Bureau of the Census.

Survey year -- July 5, 1969 through July 4, 1970.

Intrastate worker -- A worker who had employment only in Ohio during the survey year.

Interstate worker -- A worker who had employment in Ohio and at least one other state during the survey year.